

THE INDEPENDENT

Wednesday 3 December 1997 IR50p (45p) No 3,472

INSIDE TODAY



Guess which star Helen thinks is a lousy kisser
PAGE 3

Who says men are no good at marriage?
20/FEATURES

Fine art by phone
THE EYE

High flyers with a double life
CITY+

TODAY'S NEWS

Brown's new savings plan hits middle class

Gordon Brown last night was accused of squeezing the middle classes with tax increases after announcing that Tessa and PEP savings accounts worth more than £50,000 would be taxed from April 1999. The change is part of government plans to introduce a new Individual Savings Account, which will allow up to £5,000 a year to earn interest tax free. The less well-off will be able to place their money in accounts offered by a range of providers, including supermarkets, but some estimate suggest up to 750,000 richer savers could be hit.

Several million council tax-payers could also be worse off after the Government announced that council tax bills are set to rise by up to 10 per cent next April opening the Government to Tory attacks of taxing by stealth. Pages 5 and 25.

Opera House damned

A Commons report is expected today to deliver a damning indictment of the management at the Royal Opera House and call for the resignations of its chairman, chief executive and possibly the whole board. But Covent Garden chiefs are in defiant mood and are expected to resist. Page 3

Turner prize winner

Gillian Wearing, a 34-year-old London artist who made a video of people revealing their innermost desires, has won the £20,000 Turner Prize. Ms Wearing beat an all women's shortlist which included Christine Borland, Angela Bulloch and Cornelia Parker. Page 2

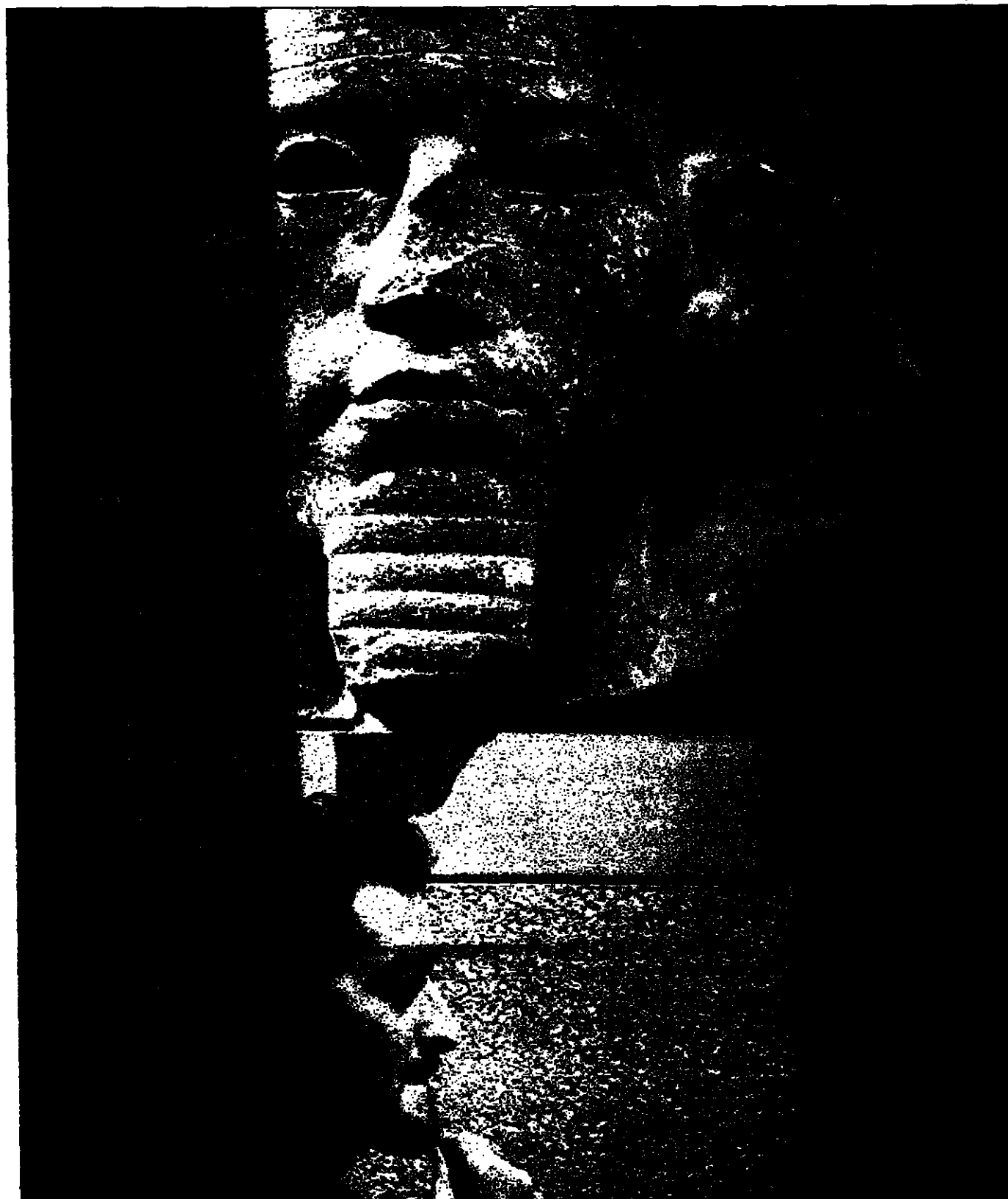
Holocaust fund snub

The government has launched an international fund to help Holocaust survivors with a pledge of £1m. The Americans offered \$4m, with a pledge of \$2.1m to follow. But there was a less than enthusiastic response from some of the 15 countries who stood to benefit from £40m of gold remaining from a Second World War settlement. France, which is owed 2.2 tons, said it was unlikely to hand over its portion. Page 7

A patent fortune

An attempt by the memorial fund of Diana, Princess of Wales, to patent her face is likely to prevent her image being used in cheap merchandising. But it will also allow other celebrities to make even more millions from taking control of their own images. Page 14

Free museums win the first round



Pharaoh deal: A visitor admiring the Egypt collection yesterday at the British Museum, to which the Government has decided to give funds so that it will not have to charge for admission. Full story, page 3

Terrorist victims were mutilated

The remains of the Luxor massacre victim Joan Turner were eventually flown back to Britain yesterday. The body of her daughter, Karina, is still missing.

Behind the difficulties in identifying the bodies of the family lies the brutal fact that their Muslim fundamentalist killers had deliberately disfigured the bodies of their victims after stripping them. They had been shot in the face after they were dead.

None of the shot Britons were carrying passports on security advice when the six Islamic terrorists carried out last month's attack at the Valley of the Queens in which 58 tourists were killed. The gunmen also stripped them of anything they were carrying which could have revealed their names and addresses.

One Arab source said: "According to witnesses the terrorists were in a frenzy, they

EXCLUSIVE BY
KIM SENGUPTA

were chanting and shouting. They seemed to have deliberately shot people already dead in the head and face."

The only way to identify victims is by checking dental records.

The confusion over identifying members of the Turner family caused a lot of added distress for the family. A relation of the Turners had positively identified bodies flown to London as those of Joan Turner, 53, her 24-year-old daughter Karina and five-year-old granddaughter Shaunnah.

However, it emerged that Joan Turner's body was in Switzerland - from where it was returned yesterday - and that of Karina was still missing. At one stage searches led to Colombia, only for the Foreign Office to be told that the two bodies sent there had already been cremated. However, neither matched Ms Turner's details, and enquiries are concentrating on Switzerland.

The funeral of the Turners was due to take place last Wednesday, but was halted when Mrs Turner's body proved to be the wrong one.

University crisis as fees scare off students

Universities are to intervene in the crisis over the decline in entrance applications by a direct appeal to every sixth former. With applications for next year down by between 7 and 8 per cent, Judith Judd and Lucy Ward explain how the Government decision to charge tuition fees is influencing would-be students.

Around 400,000 leaflets to be sent out to schools and colleges this weekend will tell sixth formers that a university education is still a good buy despite the introduction of £1,000 a year tuition fees from next September.

The vice-chancellors' committee and the Universities and Colleges Admissions Service (Ucas), which processes the applications, say that they are sending out the leaflets to clear up any misunderstandings about the effect of government policy.

With less than two weeks to go before the official closing date for applications, they want to emphasise that students will still have a good chance of a place even if they apply after the deadline. Last year, around 111,000 students who applied after the deadline gained places.

Confidential figures which went out to universities at the end of last week show that the number of applications from home and EU students processed by Ucas was down by around 10 per cent - from 163,000 to 148,000 compared with the same period last year.

Worst hit are the new universities, with

applications at some down by as much as a quarter, though a few are bucking the trend. The drop is said to be across the board and not confined to particular subjects.

Last Friday, applications for Manchester Metropolitan University were down by 3,214 to 12,742, and those for Northumbria University by 2,027 to 8,308. At Plymouth, applications were down by 2,590 to 8,123.

The leaders of new universities confirmed that students were hanging back from applying, and were agreed that the Government had failed to convince potential applicants over the funding changes.

Dr Geoffrey Copland, the vice-chancellor of Westminster University and chair of the 26-strong Coalition of Modern Universities, said: "There is an apprehension about what is happening in the system on the part of students and their advisers, and the message about the new funding arrangements has not really got across."

"Students who are serious about going to university are not being put off, but people who are a bit uncertain are hedging their bets at the moment."

At the University of East London, applications so far are marginally down on last year, though the picture so far has been "volatile".

The vice-chancellor, Professor Frank Gould, also believed the Government had "lost the propaganda war" to opponents of fees. "There has been a lot of publicity, marches and demonstrations from the anti, and a fairly cool statement from the Government has not combated that."

He thought potential applicants would be reassured by the vice-chancellors' campaign.

Professor Peter Wheeler, pro vice-

chancellor of Salford University, where applications are also down, warned that the funding changes in higher education might deter many able applicants, particularly mature students.

He said: "The decision seems in conflict with the Government's plans to increase participation from those sectors of society which hitherto have not been able to benefit from university education."

A spokeswoman for the vice-chancellors' committee said: "We hope that, as last year, people will apply after the deadline."

"We believe it is inevitable that there will be a certain amount of confusion with such a big change. We hope the leaflet will undo that and give the context of the benefits of higher education."

Tony Higgins, chief executive of Ucas, said: "We are making no statement about figures at all until after the closing date. It is too early to speculate on a single snapshot."

Some long-established universities also appear to be suffering. East Anglia's applications were down by 1,240 to 5,808 and Kent's down by 1,114 to 6,113.

The leaflets aim to expose myths about Government changes to fees and grants - for example, "if I go to university I shall be up to my neck in debt for years".

The universities point out that male graduates earn 30 per cent more and women graduates 40 per cent more than those who go straight from the sixth form into a job.

David Blunkett, the Secretary of State for Education, wrote to potential applicants a month ago assuring them that the new arrangements would ensure that they had the financial backing that they needed.

Spiffing.

Mortgage Express has a mortgage that's as easy as taking a breath. You can borrow from £1,000 to £100,000, and can choose to repay by instalments. There's no hidden charges. Guaranteed to say yes, and we'll be happy to help you get it. It's as easy as breathing. It could be as easy as breathing. It could be as easy as breathing.

mortgage express

0500 212 854

Winner 1996
The Financial Times

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON YOUR HOME. MORTGAGE EXPRESS IS NOT A LENDING INSTITUTION.



TELEVISION The Eye, page 12
CROSSWORDS Page 32 and
the Eye, page 9
WEATHER The Eye, page 10
Web address: <http://www.independent.co.uk>

هكذا من الأصل

2/BRIEFING

COLUMN ONE

Battle rages for the Napoleonic succession

The Battle of Austerlitz was fought 192 years ago yesterday with cannons and cavalry and guile. The battle of the Napoleonic succession was being fought out in a gentleman's club in Paris last night without so much as a bread-roll. Obscure legal and constitutional argument, precedent and sentiment will probably carry the day.

Members of the Souvenir Napoléonien - an organisation dedicated to upholding the memory of the Emperor - were unwilling to discuss the proceedings with outsiders. Especially British outsiders. "Prince" Charles Napoléon, great-grandson of the Emperor Napoleon's youngest brother, Jérôme, is battling for his right to be considered Chief of the Imperial Household. The title is, in legal terms, meaningless, but important to nostalgics and, doubtless, useful as a business calling card. When his father, Prince Louis Napoléon, died seven months ago, it seemed Charles, 47, (pictured), who runs a financial services business in Corsica, would



inherit the distinction automatically. But the cantankerous, octogenarian prince left a "political testament", saying the succession should pass to his grandson, Jean-Christophe, Charles's son, an 11-year-old schoolboy. The deceased man's motives were twofold, according to his lawyer, Maître Jean-Marc Varaut. Louis Napoléon disapproved of the fact that his eldest son had divorced and remarried without his permission. He also detested his political views, which were, by his admission, "republican and democratic". In an interview yesterday with *Le Figaro*, Charles Napoléon admitted he was a democrat and an ordinary chap. Asked if he would take become a full-time, dispossessed Royal if he succeeded, he replied: "No, my psychological balance wouldn't stand it." He conceded his "personal values" made him feel closer to the early period Napoleon (defender of the Republic) than the later period Napoleon (autocratic emperor). Certain aspects of the Emperor Napoleon's record, and that of his nephew, Napoleon III (1852-70), should be "judged severely".

This mildly revisionist view of Napoleon is now standard in France. If anything, the academic trend is towards a downward reevaluation of his bloody attempts to create a prototype European union (with headquarters in Paris). The winner of this year's Prix Goncourt, the most prestigious literary prize in France, was a novel by Patrick Rambaud, *La Bataille*, which re-creates the battle of Essling, a forgotten and disastrous episode in the Napoleonic wars.

It presents Napoleon as a foul-mouthed, callous bully, driven by vanity and detested even by his closest comrades. In the conservative *Le Figaro* yesterday the writer Claude Jacquemart said it had to be admitted the "Napoleonic adventure" was "an immense tragedy which left France physically and morally exhausted".

This is unlikely to impress the Souvenir Napoléonien nostalgics, holding their annual meeting yesterday, on the anniversary of Austerlitz and also of the coup which brought Napoleon III to power. Charles Napoléon was addressing the meeting to try to persuade his great, great, great-uncle's most devoted followers he was worthy of the imperial lineage. Legally, their approval or disapproval counts for nothing: the battle will continue elsewhere. But, morally, it was essential for Charles to persuade the last remnants of the Grande Armée to follow him.

The omens were not good. He told *Figaro* he wanted to make the Napoleonic tradition "modern and forward-looking". As head of the Imperial household, he would emphasise the republican Napoleon, elected by popular vote, and the constructive Napoleon, who built many of the institutions which serve France to the present day. It is difficult for a mere Briton to judge, but it sounds as if Charles Napoléon's father was right: he is a good democrat but he would make a useless emperor.

John Lichfield, Paris

PEOPLE



Uproar as video entry snaps up the Turner

Gillian Wearing, a 34-year-old London artist who made a video of people revealing their innermost desires (above), last night won the £20,000 Turner Prize. It was presented to her at the Tate Gallery by Culture Secretary Chris Smith.

Wearing (right) beat an all-women's shortlist which included Christine Borland, Angela Bulloch and Cornelia Parker. Her victory means it is the second consecutive year that a video artist has won the prize. The judges, chaired by Tate director Nicholas Serota, said she had established "a highly personal form of what might be called urban realism" - a confessional art in which she persuades her fellow citizens to reveal their most secret thoughts, fears and desires. This year's shortlist has provoked a large amount of criticism. David Lee, editor of *Art Review*, said Wearing and her shortlisted colleagues "have excelled themselves with their shallow ideas and uninspired execution caused by under-estimating the importance of the visual ingredient in art." Ms Wearing's basic medium is photography, still or moving. The judges said that in the tradition of serialism, her work revealed the often strange or disturbing realities that lie beneath the apparently calm surface of everyday

appearances. "It also offers a rich insight into the lives of ordinary people".

In one of her works, "Signs that say what you want them to say and not signs that say what someone else wants you to say", she asked people in the street to write a sign saying what was on their mind, and then photograph them holding it. In her most recent major work, "10-16", she filmed adult actors lip-synching to a soundtrack to the voices of children aged 10-16. The result was said to suggest both the adult in the child and child in the adult.

David Lister

Drug-case British student has sentence cut

A Moscow court yesterday cut the six-year labour-camp sentence on Karen Henderson, 19, a Briton convicted of smuggling cocaine. Despite protestations of innocence, Judge Natalia Arinkina again found her guilty but sentenced her to one year and 11 months in a camp. Because she has spent 22 months on remand, Henderson will be freed next month.

Henderson, who grew up in the Netherlands and was studying

tourism there before her arrest, said it was a fact that "alien objects" were found in her case when she landed in Moscow from Havana but she was "devastated" because she had "never knowingly carried narcotics".

She wept when Judge Arinkina confirmed her predecessor's verdict of guilty. Henderson should be "isolated from society" but, in view of her "personality, youth and lack of a criminal record", the punishment ought to be softened, the judge said. During the trial an assistant lay judge fell asleep while evidence was being given, and the translation was so bad that Henderson's mother, giving a character assessment of her daughter, was quoted as saying she "sympathised with drug traffickers" when what she actually said was that she felt sorry for those who had become addicted to drugs.

Helen Wornack, Moscow

UPDATE

RELIGION

Churches win battle to stay open

Proving once again that nothing galvanises a church like persecution, it was confirmed yesterday that all 37 Anglican churches in the City of London are to remain open for worship.

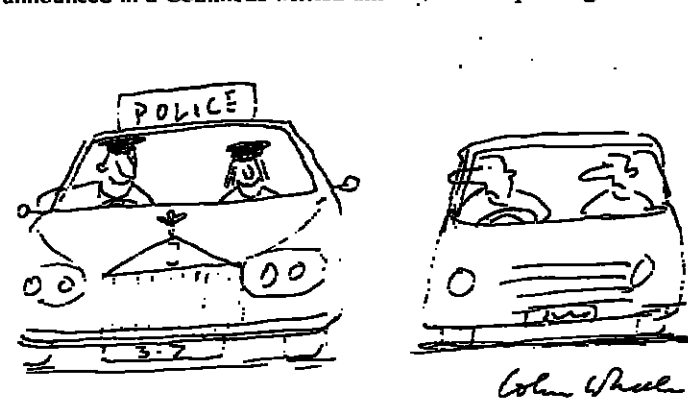
Four years ago there was a hue and cry when the Templeman Commission proposed closing two-thirds of the City churches, many of them designed by Sir Christopher Wren after Great Fire of 1666. The problem was not money to maintain the churches, dwarfed by the glass temples of Mammon, but paying so many clergy for so few regular worshippers.

About 5,000 people live in the Square Mile. However, the incoming Bishop of London, Richard Chartres, was determined to keep all the churches open, albeit for only one day a week in some cases, and yesterday charged a new City Churches Development Group with ensuring they do. Several churches are being kept open by using priests who are semi-retired or draw salaries from other bodies. Stephen Goodwin, *Heritage Correspondent*

CRIME

Police funding boosted by £258m

Overall funding for police forces in England and Wales is to rise by £258m next year, the Home Secretary, Jack Straw, said yesterday. The increase includes the final £40m instalment of extra cash, over and above the resources allocated by the funding formula, which was planned by the former Tory government to pay for more officers. Mr Straw said the settlement, announced in a Commons written answer, meant spending on the fight



against crime across the service could increase by 3.7 per cent next year. "We are determined that the police should have the resources they need to fight crime and disorder across England and Wales." The Home Secretary also announced plans to change the way the police funding formula is calculated. The settlement includes a big increase of £21m - to £151m - in the sum allocated to the Metropolitan Police to cover its special national and capital city functions.

AMENITIES

Facelift for Glasgow park

The oldest public park in Britain and one of great social battlefields of Europe, Glasgow Green, was yesterday given £6.6m from the lottery for a comprehensive facelift. Dating back to 1450 - the claim to be oldest is Glasgow's own - the 136-acre green at the heart of the city was the birthplace of the union movement and temperance movement. It felt the early tread of both Rangers and Celtic football clubs and was the site of the city's first golf club. Altogether 45 urban parks will share a total £11.5m from the Heritage Lottery Fund. Other awards include £915,000 for Hammond's Pond, Carlisle, where a residents' petition has prompted a restoration campaign. £875,000 for Carr Bank Park, Mansfield, where sports facilities and children's play areas will be created and £571,000 for the restoration of Grange Park, near Preston. Stephen Goodwin, *Heritage Correspondent*

CONTENTS

CONTENTS		
Arts & media	3	Theatre 18
Money	5	Style 19
News	6	Features 20
Nazi Gold	7	Obituaries 21
News	8	Leader, Letters 22
World news	10	Comment 23
Environment	11	Business 24-28
Politics	12	Sport 29-32
World news	13	Crossword The Eye 9
The Spencers	14	Weather The Eye 10
		TV & Radio The Eye 11-12

Peace at last for right-to-die woman

A motor neurone disease victim who launched a High Court action to allow her GP to administer pain-relieving drugs which might shorten her life, has died. Former air hostess Annie Lindsell, 47, from Teddington, London, dropped her two-year court battle in October when her doctor, Simon Holmes, said he was willing to carry out the treatment.

Her solicitor, Gai Tellow, said: "Annie passed away ... from respiratory failure caused by ... motor-neurone disease. Following her High Court success, Annie was able to live her last weeks of life with a

comforting assurance that if it had it proved necessary, and she had requested it, her doctor would have been able to lawfully administer distress-relieving drugs that would have shortened her life."

Ms Tellow confirmed that Mr Holmes had eventually not used the drugs.

Dr Holmes had refused to administer diamorphine to Ms Lindsell without clarification that the act would be lawful, but changed his mind when medical experts at the court approved of his planned treatment.

TOURIST RATES

Australia (dollars)	2.40	Italy (lira)	2.857
Austria (schillings)	20.40	Japan (yen)	214.34
Belgium (francs)	59.94	Malta (lira)	0.63
Canada (\$)	2.33	Netherlands (guilders)	3.26
Cyprus (pounds)	0.84	Norway (kroner)	11.91
Denmark (kroner)	11.12	Portugal (escudos)	295.14
France (francs)	9.72	Spain (pesetas)	245.15
Germany (marks)	2.91	Sweden (kroner)	12.82
Greece (drachmel)	463.12	Switzerland (francs)	2.35
Hong Kong (\$)	12.65	Turkey (lira)	321.533
Ireland (punts)	1.11	USA (\$)	1.64

Source: Thomas Cook
Rates for indication purposes only

7.30 FOR 8

by Chris Priestley ZITS

by Jerry Scott & Jim Borgman



SWIFTCALL SAVE MONEY ON YOUR INTERNATIONAL PHONE CALLS WITH SWIFTCALL 0800 769 0066

NEW SWIFTCALL CALLING SERVICE OFFERS INCREDIBLE SAVINGS OF UP TO 70% ON BT'S PAYPHONE RATES. CONTACT YOUR LOCAL NEWSAGENT, DISTRIBUTORS URGENTLY REQUIRED. FOR DETAILS FREEPHONE 0800 769 0171.

TALK IS CHEAP!

Call us today free on 0800 769 0066 for details on fantastic savings to hundreds of other destinations and how to open your pre-paid account.

Calls to	Swiftcall	B.T.	SAVE
Australia	20p	Vs 49p	59%
India	50p	Vs £1.20	58%
Japan	20p	Vs 77p	74%
USA	8p	Vs 24p	67%

IN TOMORROW'S INDEPENDENT

Bash! Crash! Ahh!
Dandy's 60th
birthday
THE EYE



On the road
with Camille
Paglia
FEATURES

Virginia Ironside's
dilemmas: Should I
move in with my man?
FEATURES

What's wrong
with university
league tables
EDUCATION +

Royal Opera chiefs face up to resignation calls

Royal Opera House chiefs will resist expected calls for their resignations when a House of Commons Select Committee publishes its report today. David Lister, Arts News Editor, finds the mood defiant at Covent Garden.

A Commons report is expected today to deliver a damning indictment of the management at the Royal Opera House and call for the resignations of its chairman, chief executive and possibly the whole board.

The report by the Culture, Media and Sport Select Committee will be published this morning. During the committee's proceedings, its chairman Labour MP Gerald Kaufman described the running of the Opera House as a "shambles".

His committee's report is likely to be strident. Even as it was taking evidence over the last month the House nearly went bankrupt and ticket sales at London venues used while the Royal Opera House is closed for redevelopment have been very poor.

The ROH received £78m of Lottery money, and the former Chief Executive Genista McIntosh resigned in May after only four months in the post.

Mary Allen, the new Chief Executive brought in from the Arts Council by the Chairman, Lord Chadlington, without the post being advertised, said yesterday she accepted that the report would probably have strong things to say. But she stressed that neither she nor Lord Chadlington – as Peter Gummer, formerly PR adviser to the Conservative Party – would resign unless the Government specifically told them to do so.

She said: "I have been here three months and I have done a lot of work to improve the morale of the staff which was very low when I arrived. The most important thing is the welfare of the staff and we should not do anything that will be disruptive."

She also stressed that all the arrangements for the Royal Opera and Royal Ballet during the closure of Covent Garden were made before she arrived.

But she did reveal that the ROH was on course to lose a staggering £10m more than it had budgeted to lose during the closure period, and this on top of its deficit of £5m. This would have driven it into certain bankruptcy if benefactors had not put together an emergency package.

The Select Committee report, which will be considered by the Government, comes just after the Culture Secretary Chris Smith has set up a review body under Sir Richard Eyre, former head of the National Theatre, to explore the possibility of the Royal Opera, Royal Ballet and English National Opera sharing Covent Garden, with the Covent Garden building itself becoming a receiving house.

Mr Smith has also indicated that he has not ruled out the option of privatising Covent Garden on the model of the Glyndebourne Festival opera.

However, Mary Allen pointed out yesterday that such an extreme course of action would run into one immediate problem – the fact that Covent Garden had received £78 million of public money through the National Lottery.

Mrs Allen has already embarked on cost-cutting measures, and will next month announce a slimmed down programme for both the Royal Opera and the Royal Ballet.

A hunk he may be, but Helen says Harrison can't kiss



Ford: 'He does try, but it's just not there'



Mirren: 'It's not just me – other actresses agree'

Hollywood heart-throb he may be, but Harrison Ford is no kisser, the actress Helen Mirren has disclosed.

Mirren, 51, who starred opposite Ford in *The Mosquito Coast*, told Zoe Ball and Kevin Greening on yesterday's *Radio 1 Breakfast Show* that she did not rate the American star's abilities when it came to puckering up.

"In the films he's the nicest, sweetest guy you could want to meet. But he can't kiss – he finds it impossible to kiss on screen. And she added: 'He's probably not very good off screen either. It's not just me – other actresses agree. Whenever we get chatting off screen and we get around to talking we come to the same conclusion: 'He couldn't do it with me either!' He does try, but it is just not there."

Despite a prolific career, Mirren is probably best known for her television portrayal of Det Supt Jane Tennison in *Prime Suspect*, and she returns to the small screen in a two-part drama, *Painted Lady*, on ITV on Sunday and Monday, in which she plays a very different kind of sleuth – a ravaged blues singer with a pierced nose.

Her real-life partner of 11 years is American director Taylor Hackford.

Extra funding saves British Museum from introducing entrance fees

The Government will give the British Museum financial help to prevent it introducing admission charges. David Lister, Arts News Editor, reveals that the first stage in the campaign to safeguard free admission is on the point of victory.

An increase in funds to the British Museum will be announced next week, *The Independent* has learned. It is specifically designed to avoid the best known museum in the country, and arguably in the world, having to impose admission charges for the first time in its 230 year history.

The change of mind by the Government, which was on the verge of saying it could not give

any museums financial help to prevent charging, follows a high-profile campaign since we revealed 10 days ago that the Culture Secretary, Chris Smith, had failed to convince the Treasury of the need to pump extra money into national museums and galleries.

The British Museum's trustees, who include the Prince of Wales, will meet on Saturday. Introducing charges was on their agenda if no extra financial help was forthcoming. They will now hear that a substantial increase in grant is on its way.

The campaign to keep free admission continues today with a letter in *The Independent* signed by 17 artists, including David Hockney, Bridget Riley and Anish Kapoor. They write that museums have been their studies. The artists short-listed for last night's Turner Prize also added their weight to the

campaign, helping to present a petition to the Treasury.

While the British Museum is almost certain to be spared the immediate need for compulsory charges, the problem remains for the National Gallery, Tate Gallery and National Portrait Gallery in London, the remaining national collections that still do not charge.

Of these, the Tate is in the most severe financial trouble and the Government is understood to be looking urgently at a way to help it. The trustees have not yet ruled out charging at the new Tate Gallery of Modern Art at Bankside, London, due to open in 2000. Tate director Nicholas Serota has also indicated that charging at the Tate at Millbank is a possibility unless more money is found.

Whitehall sources say that the Prime Minister, Tony Blair, and Chancellor Gordon Brown

have been surprised by the strength of the campaign to keep free admissions, but remain reluctant to put more money into the arts.

Nevertheless, campaigners will be reminding Mr Blair of the speech he made in opposition at the Mansion House earlier this year. He said then: "We are concerned about the introduction of admission charges in national museums. The evidence suggests that high charges can lead to a big decline in attendance."

Government help to the British Museum is certain to provoke anger among those museums that already charge.

Dr Alan Borg, director of the Victoria and Albert Museum, said he would not tolerate a "hand out" being given the British Museum while his own museum received no extra help.

Letters, page 22

Beware of Tubbytouts at Christmas

This year it is the Teletubbies' turn to be the big Christmas toy shortage. Paul McCann, Media Correspondent, delves into a shady world of inflated prices, whispered shipments and Tubbytouts.

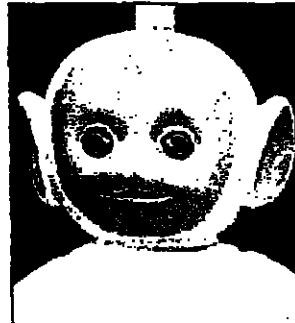
The call was answered by a strange voice: "Yeah, I can get you one. £45, ask no questions." And ten minutes later a "dodgy-looking" man appeared at Frank Middleweek's door in Woodford, east London. He had a package under his arm.

Leaving no name and no clue to suppliers, the black-market dealer disappeared into the night £45 the richer. "I asked where he was getting them," said Mr Middleweek. "He said that was for him to know and

me to find out. It was like doing something criminal."

Mr Middleweek is just one more victim in a tale of obsession, addiction. A tale where big money changes hands for strange-sounding substances. He's fallen in with a Teletubby dealer. "We'd been queuing up at 6am and getting no where," says Mr Middleweek. "Then there was this car parked outside Children's World. In the window there was number to ring if you wanted a Teletubby. I'd been trying to get a full set for my Grandson. I needed a La La and a Po."

The strange man in the night got Mr Middleweek a La La then his wife came home with one as well. So now he's joined the chain. Advertising his Teletubby along with 22 others in London's free ads paper *Loor*. He just wants his £45 back but others are making a killing. "I'm not exploiting people,"



In demand: Teletubbies have bred a black market

says Andy from south-west London. He picked up a set of four tubbies five weeks ago for a nephew at £14.99 each. Now they're surplus to requirements and he's asking £325 for the set, a mark-up of 442 per cent. "If someone's mad enough to pay that kind of money that's fine with me. I'm only asking what others are asking." Andy is by no means the greediest Tubby-

dealer. Another advert in yesterday's paper was asking £100 for one Tinky Winky.

Despite the high prices parents and grandparents determined not to disappoint their little ones are paying up all over the country to sellers in local and free advert papers.

The BBC says that a million Tubbies will have been shipped by Christmas and that the problem is caused by the stores. Teletubby toys were shown at the industry's annual toy fair last January and advance orders were too small.

A BBC spokeswoman denied that the corporation is missing out on millions of pounds of revenue because of the Tubbyshortage. However, *Loor* gives the game away: under the ads for Teletubbies is a forlorn Thunderbirds Tracy Island, complete with rockets, vehicles and six figures. The toy of two years ago is just £20.

SIEMENS

Oh...pink fluffy
slippers!
How novel.
And with a
little piggy
motif too.
Super.



This Christmas, get to Santa before he gets to you. Ask for the new Siemens S10, which has just been voted the Best Business Mobile in the World by *Connect* magazine and which comes with 10 hours

Better
Talkology from
Siemens

RECORD

AFTER LAUNCHING THE AUDIO CD
PHILIPS LAUNCHES THE AUDIO CD RECORDER

Now you can record all your favourite music on CD. Simply connect the CD Recorder to your audio system and you can then record onto your CD-Recordable Digital Audio disk from vinyl, tape or any digital source. You can play the CDs you create in any of the CD players you already own, including, of course, your new CD Recorder. Alternatively, you can create your own compilations time after time on the CD-ReWritable Digital Audio disk and play it back on your CD Recorder. Now you can extend your CD collection with CDs created by you.



CD RECORDER BY PHILIPS

*ANY COPIES WHICH YOU CREATE MUST STRICTLY BE USED FOR PRIVATE PURPOSES ONLY, AND ARE ALWAYS SUBJECT TO THE RIGHTS OF THE COPYRIGHT OWNER.



PHILIPS

Let's make things better.

For more information on your nearest stockist, please ring our Help Line on 0181 665 6350.

صكتا من الامل

Class war at the savings bank: how Labour is hammering the middle classes

The Government yesterday used the language of class warfare to launch a new tax-free Individual Savings Account which it claimed would benefit "the many and not just the few". The new account will replace existing PEPs and Tessas in April 1999. But Nic Gurti argues that middle-class savers may be hit hard by the proposals.

Geoffrey Robinson, the Paymaster General, said the Individual Savings Account (ISA) would give everyone the opportunity to save for the long-term, by offering tax incentives previously available only to those able to invest large sums.

Mr Robinson said the ISA would have an annual savings limit of £5,000, with an overall cap of £50,000 on the total that can be placed in it.

This compares with a maximum of £9,000 presently available to investors each year in Personal Equity Plans (PEPs), with no limit on the amount that can be tucked away. A further opportunity is on offer via tax-exempt savings accounts (Tessas) into which up to £9,000 more can be placed over five years.

PEPs and Tessas will cost the Inland Revenue an estimated £1.25bn in unpaid tax this year, rising to more than £1.6bn by 2000. The Government's proposals will cap this amount to its present limits. Experts predicted that up to 750,000 people would be taxed for the first time on the slice of their savings above the ceiling placed on investments in the ISA.

Senior civil servants argued yesterday that while some 6.5 million people are thought to

TWO SIDES: AS THE GOVERNMENT WOULD HAVE YOU SEE THEM



PEPman

- Is a director for a soap multinational. Earns £80,000 a year.
- Has invested in PEPs since Nigel Lawson introduced them and never misses the chance to put his £6,000 a year into a general PEP, plus £3,000 into a single company plan. Since 1987, this works out at £82,000.
- Has also used his wife's PEP allowance, a further £82,000. The couple's PEPs are now worth more than £300,000.
- He also put the full £9,000 into a Tessa, which matured to a fund worth £11,500 free of tax in 1996. Has since invested £9,000 into a follow-on Tessa, maturing in 2001.



ISAwoman

- Is a secretary at a publishing firm. Earns £15,000 a year. Between March and October this year she was the sole breadwinner in the family.
- She has £200 in Premium Bonds. Until March, the family had £800 in a building society account, then her husband lost his job. This is now down to £157.60.
- They also had £800 in a Tessa. That was cashed in, with loss of tax-free benefits, to pay for roof repairs on the house in September.
- Her husband has now found casual work. She thinks she may have up to £25 a month to save in the new ISA, as long as the kids don't want anything too expensive for Christmas.

hold either a PEP, a Tessa, or both, these who invest in either scheme are more likely to be middle and upper-class savers. Lower income-earners have tended to be put off by minimum investment limits, often of £30-£50 a month, or the fact that they cannot obtain easy access to their money.

Mr Robinson said tax in-

centives, now available primarily to middle-class and high-income investors would be used to encourage everyone in society to set aside some money instead. "Saving for the future is both prudent and sensible, but over half the adult population of our country hardly save at all," he said. "I am determined that Britain should have a tax

system for savings which benefits the many and not just the few. The new Individual Savings Account will suit any investor, no matter how large or small."

To facilitate the trickling-down of these tax benefits, Mr Robinson suggested that ISAs might be sold from a wider range of outlets than ever before: "Designed for easy access

from banks, building societies and new outlets such as supermarkets, ISAs will enable people to put all forms of savings - cash, shares, life insurance and National Savings - in a tax-free 'one-stop' account."

The Government's proposals involve investors being allowed to open a new ISA each year after April 1999. Both in-

come paid from the account and gains on the investment will be free of tax. The £50,000 cap will apply to the amount that can be placed in ISAs over the years. PEPs will cease to be sold after April 1999 and any amount held in them will have to be transferred into the ISA to enjoy the same tax-free benefits.

There will be a six-month period during which PEPs can be shifted into the ISA, up to the £50,000 upper limit. Any PEP outside an ISA after 6 October 1999 will lose tax relief.

Tessas - cash deposit accounts typically sold by banks and building societies - have a fixed life of five years. The Government is proposing that they can remain outside the ISA net until maturity, after which they too will have to be transferred, again subject to the £50,000 limit.

Some estimates suggest that out of the 6.5 million PEP and Tessa savers, up to 15 per cent - at least 750,000 people or more - currently have investments above £50,000. They will start paying tax on the upper portion of their investments after April 1999.

Mr Robinson claimed yesterday that the change to ISAs would not disadvantage a growing army of mortgage borrowers, who have opted to pay off their interest-only loans with tax-free PEPs.

A senior Inland Revenue official argued that lenders which were consulted had said none of their borrowers with a PEP mortgage would breach the £50,000 ISA transfer limit.

However, John Whiting, a tax partner at Price Waterhouse, added: "The reality is that those with a million, or £10m, will always find tax-advantageous places to invest their money. For them £5,000 or £6,000 a year is peanuts. But there are many people, comfortably off, for whom this will be a blow."

THE KEY QUESTIONS

What is the Individual Savings Account?
The account, to be known as the ISA, is the new tax-free savings alternative to personal equity plans (PEPs) and tax-exempt savings accounts (Tessas). It will come into force in April 1999.

What will be the ISA's tax benefits?
Investors will be able to save up

to £5,000 a year in an ISA, up to a total of £50,000 in all. Income from the ISA and growth in the value of investments will be free of tax.

Is the ISA all about equity investments?
No. You will be able to place up to £1,000 a year into a cash-based account. There will be no loss of tax benefits if you withdraw some or all of the money.

How does the ISA compare with PEPs and Tessas, which are also tax-free?
With PEPs, you could place up to £9,000 a year into single company or pooled investments. Tessas allowed you to invest up to £9,000 over five years. **Will I be able to transfer my PEPs and Tessas into the ISA?** Yes. But it will be subject to the £50,000 upper limit on ISAs.

Thereafter, you will only be allowed to invest to that limit. **Why didn't the Government simply leave PEPs and Tessas in place?** More than 6.5 million people have put up to £70bn into PEPs and Tessas. These investments have mostly benefited those who can already afford to save. However, the main reason is that the Inland Revenue was fed

up with losing spiralling amounts of tax from PEPs and Tessas. It will now be able to cap these "losses" at about £1.5bn a year. **Who will lose out?** The ultra-rich will lose one minor tax haven. But the biggest losers will be middle-class savers with £50,000 or more to set aside, a large but not inordinate sum.

Will ISAs encourage poorer people to save? And will they benefit from it? Put it this way: if you saved £30 a month, the typical tax benefit from a high interest ISA paying 6 per cent net would come to an extra £4.32 a year. As for encouraging you: if you had no money anyway, how much would you be setting aside? — Nic Gurti

Rich irony as Paymaster General steps into minefield



Geoffrey Robinson: Treasury's very own offshore tax specialist

For journalists at the conference to launch the Government's new Individual Savings Account, the choice of ministers to present the proposals was the sweetest of ironies.

Geoffrey Robinson, the Paymaster General, who has a beneficial interest in an offshore trust worth more than £12.5m in Guernsey, was the one sent in to sell the Treasury's new scheme.

The civil servant chairing the press conference rapidly became fretful. Barely had Mr Robinson sat down than the hostile questions started from the audience.

"What happens if you were saving in a PEP to help pay off your mortgage, Minister? Is the Government really going to renege on tax pledges given to investors by the last administration? How do you square your plans with New Labour's promise of no new taxes?"

In vain, Mr Robinson, the Treasury's very

own offshore tax specialist, pleaded that mortgage holders would not be disadvantaged by his Government's proposals. His comment that he did "not wish to discuss this issue" any longer also cut no ice with questioners. "You might not want to, but we do," shouted one journalist.

Of course, the question all the assembled journalists really wanted to ask was: "With your experience of Guernsey-based trusts, would you want to save your money in an ISA? What other tax-saving opportunities could you advise us on?"

Sadly it was not to be. Ignoring a forest of raised hands, the official hastily declared the press conference over.

Michael Heseltine later stepped into the row over Mr Robinson's admission that he had money in an offshore trust. The former deputy prime minister said that when he was a minister he had rejected his ac-

countants' advice to move his assets so he would not pay British taxes on them.

Mr Heseltine, who as owner of the Haymarket publishing group was one of the richest members of the last government, said he felt it would be hard to explain to voters why they were subject to taxes that ministers were avoiding. Speaking in a BBC interview, he said there was nothing inherently wrong with tax avoidance, which was simply minimising the amount paid. That was "perfectly honourable and legitimate", he said. "Tax avoidance, it is argued, is the duty of the citizen."

However, he said that although he had put his money into a trust when he became a minister in order to avoid conflicts of interest he had not accepted suggestions that it should be moved offshore. "I thought it was improper in a minister," he said.

— Nic Gurti and Fran Abrams

BaByliss



The REAL Salon Dryer

If in doubt, ask your hairdresser

Congratulations. You've just spotted a low cost personal loan.

AMOUNT OF LOAN	APR	36 MONTHLY REPAYMENTS	TOTAL PAYABLE
£3,000	13.9%	£101.33	£3,647.88
£6,000	12.8%	£199.46	£7,182.76

Based on APR of 12.8% on 30th November 1997.

0181 680 9966 0161 831 9966 0141 248 9966

LONDON MANCHESTER GLASGOW

CALL ANYTIME 9am to 9pm Monday to Friday and 9am to 5pm Saturday.

www.directline.co.uk Please quote ref. IND21



THE INDEPENDENT

Win a Baxters hamper

— experience the taste from The Highlands

Do not miss this opportunity to win one of the famous Baxters hampers. The range covers a variety of soups, jams & preserves, marmalade, beetroot, chutney, local accompaniments and sauces.

Baxters of Speyside have been making fine foods since 1868, using only the finest ingredients and prepared with the same care and attention as used for nearly 130 years ensures the superb quality of all Baxters products.

We have ten of 'The Crates Hamper' to offer, containing 30 items from Spey Side Chicken with Lemon Grass Soup, Shortbread, Wine and Cakes.

For further information on Baxters Hampers Freephone 0800 186080. Calls cost 50p per minute at all times. Winners elected at random after 11pm 30th November 1997. Usual Newspaper Publishing rules apply. Editor's decision is final.

To enter this competition, simply dial the number below, answer the following question on line and leave your name and full address:

Q: What year did Baxters start making their selection of foods?

Call 0930 563693



Upgrade your family in time for Christmas.



It's a gift! A bigger and better home PC than you thought possible for the money. Not only does this massively powerful Dimension™ XPS D233 come with a load of great multimedia features that you and all the family will enjoy, but we're also giving away an extra special present - a choice of FREE EXTRA 32MB OF MEMORY OR A SUPERFAST 56kb/s MODEM. Call Dell now to take advantage of this seasonal offer! And all the family will thank you for it.

DELL DIMENSION XPS D233MT

- INTEL PENTIUM® II PROCESSOR 233MHZ
- INTEL 440LX AGPSET
- 32MB SDRAM (EXTRA 32MB OR 56kb/s MODEM FOR FREE)
- 512KB INTERNAL CACHE
- 4.3GB ATA-33 HARD DRIVE
- 578 VELOCITY nVidia AGP GRAPHICS CARD WITH 4MB SGRAM VIDEO MEMORY
- 17" COLOUR SVGA MONITOR (0.28 DOT PITCH, 15.9" VIEWABLE AREA)
- 3 PCI, 1 ISA, 1 PC/ISA SHARED AND 1 AGP EXPANSION SLOTS
- 14/32X CD-ROM DRIVE
- AWE 64 SOUND CARD AND ALICE LANSING ACS90 SPEAKERS
- MINI TOWER CHASSIS
- WINDOWS 95
- MICROSOFT® OFFICE 97 SMALL BUSINESS EDITION

£1,299 (£1,561.58 INC. DEL AND VAT)

UPGRADE OPTIONS

- ZIP DRIVE + 3 CARTRIDGES £89 (£104.57 INC VAT)
- UPGRADE TO ACS290 SPEAKERS £50 (£58.75 INC VAT)
- HP DESKJET PRINTER £169 (£198.57 INC VAT)
- UPGRADE FROM 4.3GB HARD DRIVE TO 6.4GB £45 (£52.87 INC VAT)
- CONSUMER SOFTWARE PACK £49 (£57.57 INC VAT)

GET ONLINE TO THE NUMBER ONE 0870 1524663

To order online 24 hours: www.dell.co.uk

DELL

Dell and the Dell logo are registered trademarks and Dimension is a trademark of Dell Computer Corporation. The Dell logo, Dell and the Dell logo are registered trademarks and Dimension is a trademark of Dell Computer Corporation. The Dell logo, Dell and the Dell logo are registered trademarks and Dimension is a trademark of Dell Computer Corporation. The Dell logo, Dell and the Dell logo are registered trademarks and Dimension is a trademark of Dell Computer Corporation.

هكذا من الأصل

Army patrols cut back

Army patrolling is being wound down and paramilitary prisoners will receive longer Christmas leave in the latest relaxations in Northern Ireland security policy.

In a new move the army will no longer carry out routine patrols on the streets of Belfast during daylight hours. Troops were taken off the streets in west Belfast last week, and now this initiative has been extended to the rest of the city.

The development is in line with a gradual rundown of security measures since the present IRA ceasefire came into effect in July. Last month the first troops to be withdrawn from Northern Ireland, 250 paratroopers, were flown to England.

RUC assistant Chief Constable Bill Stewart said: "At present there is no routine army accompaniment of foot patrols in the Belfast area during daylight hours. However, as with all security measures, this can quickly be reversed should the situation demand it."

At the same time, around 160 republican and loyalist inmates of the Maze prison will benefit from the lengthening of Christmas leave from seven to 10 days. More than a third of sentenced paramilitary prisoners are expected to take advantage of this.

Sinn Féin welcomed the move but said republicans wanted "significant movement from the government on releases". William Smith, a loyalist spokesman, echoed this sentiment, declaring: "It's time they stopped tinkering with the system and started moving towards getting prisoners out."

At the Stormont talks, meanwhile, the parties have agreed to a suggestion from chairman George Mitchell for a new format intended to inject pace into the process. Each party will now send two senior members to a new working group to identify the key issues ahead.

— David McKittick

Country life not for the fainthearted



Green and pleasant: But the basic services that city-dwellers take for granted are largely absent in rural areas

Photograph: National Trust

You may need to shop, visit a doctor or post a letter. Unless you have a car in the countryside, you may not be able to.

Randeep Ramesh, Transport Correspondent, on why the poor get a raw deal from country life.

The rural idyll of England was shown to be something of a myth yesterday when a report showed that 40 per cent of the nation's small villages and hamlets have no shop or post office, half have no school and more than 80 per cent have no GP. The na-

tional study by the Rural Development Commission showed "little evidence of improvement in essential facilities".

Despite the lack of services in most villages, public transport has been cut as local authorities' budgets have been squeezed by successive governments. The RDC report found that 75 per cent of parishes surveyed had no daily bus service.

This would be fine if the 11m people who lived in the country all had cars. But recent studies have shown that 30 per cent of rural households are living "beneath the poverty line". Yet 99 per cent of villages in the countryside have no Job Centre.

Strangely, the lack of services has done

little to stem the flight from urban areas. Between 1971 and 1991, the rural population has grown by 17 per cent, compared with a growth in England of just 4 per cent.

Lord Shuttleworth, chairman of the RDC, asked: "What happens to people who can't easily get to their GP, a food shop or indeed a Job Centre?" The answer to that question is likely to be: nothing. With the Government committed to tight financial targets, there is little room for ministers to resurrect public services.

Without extra financial inducements, rural areas are unlikely to appeal to many GPs. "In order for GPs to make a living they need at least 1,200 patients," said Dr

Hamish Meldrum, a national negotiator for the British Medical Association with responsibility for rural areas. "Most small villages won't have that number."

Bus services are also likely to get worse before they get better. Weekend and evening operations have been cut in Kent, Shropshire and South Wales.

"You might think that by getting people out of cars and into buses where congestion is building up in urban areas is a good thing. But if you then force people to drive in the countryside they will just drive into towns as well," said Caroline Cahm, chairwoman of the National Federation of Bus Users.

Cabbies close ranks over dress code

Clothes may not maketh the man, but they would certainly help driving a taxi in York. However, a strict new dress code issued by a private rail company to the city's cab drivers backfired when the irate cabbies refused to use the station taxi rank in protest.

Under the new arrangement, to come into force by 1998, drivers with station permits must wear smart trousers, have a collar and tie and don "dress shoes" when picking up fares. Those sporting a stubble, would be sent home.

If that was not enough, Great North Eastern Railways, which runs York station,

also wants to raise the cost of an annual permit by 30 per cent from £365 to £500. More than 100 drivers have boycotted the station. A manager at one firm said: "Some of the lads have just gone on strike. I usually have 60 cabs, now I have just 17."

GNER now appears to be backing down. "As long as the drivers agree in principle, then the company is prepared to negotiate on the dress and permit price," said a spokesman. Under the code, drivers would have to cover up tattoos and would not be able to grow a beard while working.

— Randeep Ramesh, Transport Correspondent

Damon launches drink-drive campaign

Motorists were urged to have "none for the road" yesterday as the Government launched a £2m Christmas crackdown on drink-driving.

Centrepiece of the campaign — launched by Gavin Strang, the transport minister, and former motor racing world champion Damon Hill — is a new television commercial which shows a group of young people wrongly believing that they can stay in control of cars after drinking. The television commercial will be backed by a radio and cinema campaign.

This could be the last Christmas drink-drive campaign conducted under the ex-

isting legal blood-alcohol limits. The Government said last week that it was holding public consultations on a proposed change that would cut the legal limit from 80mg of alcohol per 100 millilitres of blood to 50mg, putting most drivers "over the limit" if they drank more than a pint.

The new limit would be backed by a major expansion of the rehabilitation scheme for drink-drivers. Baroness Hayman, minister for road safety, said: "The signs are that these [rehabilitation] courses are proving to be a real success in reducing re-offending rates."

— Randeep Ramesh

Blushes on the Street

Some of the top names in show-business were blushing last night — and not from pleasure. Many chose to hide their embarrassment by staying away from the Raspberry Ripple Awards ceremony held to highlight the portrayal of disability in the arts and media.

Organised by the disability group, One in Eight, the "Ripples" — Cockney rhyming slang for cripple — are intended to jolt film and TV producers out of presenting stereotypical images of disabled people.

Granada TV's *Coronation Street* picked up a raspberry in the worst TV drama category for its portrayal of the character Don Brennan, whose adulterous affair was "avenged" when he lost his leg in a car accident. Unable to adjust to his disability, he terrorised the Street before driving his car into a wall.

In contrast the ITV detective series *A Touch of Frost* collected the award for best TV drama for an episode, "Appropriate Adults", that featured an actor with learning difficulties.

ITV's *Blind Date* got the light entertainment raspberry for consistently excluding disabled people as contestants.

Panorama (BBC) collected the most votes in the worst documentary category for its programme looking at the "threat" posed by people with schizophrenia living in the community which suggested incarceration as the only solution.

In the feature film category, the Liz Hurley and Hugh Grant joint venture, *Extreme Measures*, was awarded the raspberry for a storyline showing people with spinal injuries supporting an eminent surgeon engaged in a sinister research programme.

The best feature film award went to *Shine* for its portrayal of pianist David Helfgott's struggle with mental illness.

● The Raspberry Ripple Awards will be shown tonight on Channel 4 at 11.50pm.

— Jeremy Lorraine

Conference Call.

It gives you more chance of getting home to the boss.

With BT Conference Call, you can hold meetings anywhere in the world without leaving your desk. And not only does it save you time and money, dinner won't be in the dog.

Why not change the way we work? BT

BT Conference Call. For a free demonstration:
Freefone 0800 800 800

OFFER ENDS 31.12.97.

www.conferencing.bt.com

Interest Free Time Machine

The Interest Free Time Machine 200+ is a high specification state of the art PC system with fast 200+ processor, 4.3Gb Ultra ATA hard drive, 32Mb EDO RAM, 24 speed CD, 3D Waveable sound, 4Mb SIS graphics and 56K voice Modem. It also includes colour video camera interface, VideoPhone

receive software, IBM GOLD voice recognition, microphone, joystick and massive software bundle all at a truly incredible price of just £1079 + VAT.

With Interest Free Credit spread over 2 years with easy monthly payments of just £25 per month

(which works out to less than £1 per day!), you will not find a better deal anywhere. Buy it Now! Order early this week and receive a FREE Colour Inkjet Printer (Offer extended to a further 500 orders due to customer demand).

Top Spec At A New Lower Price

- ✓ 200+ Processor
- ✓ 32Mb Ram
- ✓ 4.3Gb Hard drive
- ✓ 56k modem
- ✓ 24x CD-ROM
- ✓ 4Mb SIS Graphics
- ✓ VideoPhone Receive
- ✓ Speech Recognition
- ✓ Massive Software Bundle
- ✓ FREE PRINTER (Extended to another 500 orders)



Interest Free Time Machine 200+
Only £25 per month

Equivalent to under £1 a day

£1079 (10% deposit and 24 monthly payments of £48.65 OR £1079 deposit and 24 monthly payments of £25. Total price £1079 + £25 delivery + VAT = £1228.20 = Cash price £1179)

- IBM Gold PIII 200+ Processor (Faster than 166MHz System based on Intel Pentium 166MHz with MMX Technology)
- 32Mb EDO RAM
- Seagate 4.3Gb Ultra ATA Hard Disk
- LS 24 speed Max CD-ROM drive
- Rockwell 56K voice/fax/modem/modem
- 32Kbps 3D Waveable stereo sound
- 512K pipeline burst cache
- SIS 64-bit advanced graphics using 4Mb of system RAM, MPEG & Microsoft direct 3D support
- Soundforce 525 matrix stereo speakers
- ATX mid-tower design with ATX PC97 motherboard and 2 USB ports
- VideoPhone receive for increasing video-phone calls. Video camera interface included (camera optional)
- Speech recognition with IBM Simply Speaking GOLD pre-installed
- 14" SVGA 60Hz colour screen is standard with all models (16" 399 + VAT = £1108 and 17" £219 + VAT = £1267.35 extra)
- Pre-installed Software with Lotus SmartSuite 67, Quattro Pro, IBM Arcturus, ProseWorks, DesignWorks, Homeview, SmartPics, Lotus 4-1-1 and more!
- PC Joystick and PC Microphone
- Additional CD software suite (limited offer)

All Standard Features Windows 95 with manual & CD, 105 keyboard, 1.44Mb floppy drive, 2x2 mouse, advanced motherboard with all standard ports and year 2000 compliant BIOS, 90 minute video tape guide, recovery disk, full support, 14 day money back guarantee (excluding carriage) and 12 months warranty extendable to 5 years

FREE Printer Offer now extended due to customer demand to another 500 orders. Product code: 14" 399 16" 399 17" 349

2 Years Interest Free Credit
0% APR
2 Year Interest Free Credit is available subject to 10% deposit and 24 monthly payments of £25. Total price £1079 + £25 delivery + VAT = £1228.20. Please return the completed form to BT Conference Call, 14" 399 16" 399 17" 349

42 UK Showrooms

Order direct for quick delivery or visit your local showroom

Area	Address
London	14" 399 16" 399 17" 349
Manchester	14" 399 16" 399 17" 349
Birmingham	14" 399 16" 399 17" 349
Cardiff	14" 399 16" 399 17" 349
Edinburgh	14" 399 16" 399 17" 349
Glasgow	14" 399 16" 399 17" 349
Leeds	14" 399 16" 399 17" 349
Liverpool	14" 399 16" 399 17" 349
Newcastle	14" 399 16" 399 17" 349
Nottingham	14" 399 16" 399 17" 349
Sheffield	14" 399 16" 399 17" 349
Southampton	14" 399 16" 399 17" 349
Stoke	14" 399 16" 399 17" 349
Swansea	14" 399 16" 399 17" 349
Torquay	14" 399 16" 399 17" 349
Walsley	14" 399 16" 399 17" 349
Wolverhampton	14" 399 16" 399 17" 349
Wrexham	14" 399 16" 399 17" 349

Due To Customer Demand

FREE PRINTER OFFER EXTENDED
Another 500 Time Machine 200+ models ordered early now qualify for a FREE Epson Stylus Color 300 1200dpi inkjet printer

FREE Joystick and Microphone Headset

Additional Software (limited offer)
Lotus SmartSuite 67, Quattro Pro, IBM Arcturus, ProseWorks, DesignWorks, Homeview, SmartPics, Lotus 4-1-1 and more!

Freephone Time Now!

0800 77 1107
Offer Extended To 6th December

0800 77 1107
Offer Extended To 6th December

TIME
COMPUTER SYSTEMS

7/NAZI GOLD

THE INDEPENDENT
WEDNESDAY 3 DECEMBER 1997
7

Old allies snub Britain's fund for Holocaust survivors

The Government yesterday launched a fund for Holocaust survivors with a £1m donation, but the scheme immediately ran into controversy. France and the Netherlands seemed unwilling to back Robin Cook's bold idea.

The Foreign Secretary yesterday opened the London conference investigating Nazi gold by pledging £1m from the British Government to a new international fund. The United States offered \$4m, with a further \$21m to follow.

But there was a less than enthusiastic response from some of the 15 countries which stood to benefit from £40m of gold remaining from a Second World War settlement.

Argentina and Luxembourg both announced that they would be contributing to the fund, although it is not yet known how much they will give.

Mr Cook had proposed that the five-and-a-half tons of gold destined to be returned to countries whose national reserves were plundered by the Germans should be donated instead to the new fund, designed to make

which has been redistributed under the auspices of the Tripartite Gold Commission.

Lord Janner said that not only France, but all of 42 nations at the conference should contribute to the fund. But he found the French position clearly unacceptable.

"It would be unworthy for the great French people to keep everything for themselves, and give nothing for example, for the benefit of Eastern European survivors in dire need."

Yet Abraham Hirschson, who chairs the Israeli Knesset's committee on the restitution of Jewish property, said what was important was the investigation - not the money.

"I don't like the fund because I like the truth," he said.

"What I would like is to know everything that is in the archives then give us back what belongs to us. But don't give us any foundation."

Amid pleas from Jewish organisations, Switzerland and the US (that archives should be opened and made available to researchers world-wide, Britain and France came under pressure yesterday to release the Tripartite Gold Commission files, which are expected to detail what the Allies knew of the provenance of the gold captured from the Germans at the end of the war.

But a spokesman for the Foreign Office said it believed the appropriate time for TGC files to be released was when its work was completed. That was expected soon, he added.

The conference aims to investigate what happened to gold stolen by Germany during the Second World War and what happened to it after the war ended. It is examining what compensation has been made so far to individuals who lost their family fortunes in the Holocaust and whether further compensation should be made.

Opening the three-day meeting, Robin Cook said the jigsaw might never be complete, but a clearer picture of what happened to looted gold and other assets was being built.

He said: "We have two duties to the victims of the Nazis. To those who are still alive, we must ensure that the unbearable tragedy of living through the Holocaust is not compounded by an old age marked by the fear and sadness of poverty. We must let them know that the international community is not indifferent to their plight."

"To those who died, we have a different duty - to document the facts, to gather the evidence, to locate the truth. The duty we owe them is to remember."

BY LOUISE JURY

payments to victims of the Nazis and their families.

But France, which is owed 2.2 tons, the largest part of the remaining gold, indicated that it was unlikely to hand over its portion to the fund, although it would be considering whether to give it to France's 600,000 Jews instead.

In addition, the Netherlands pointed out in private sessions that only 50 per cent of the gold stolen by the Germans from its national reserve had been returned since the end of the war. Its delegates said they would decide what to do with their share after listening to papers presented at the conference.

However Lord Janner, chairman of the Holocaust Educational Trust and the man who first suggested the conference, said he was surprised that the French did not follow the British and American lead.

The three nations are together the administrators of the gold which was recaptured from the Germans in 1945 and

'No one can return their hope, but we can seek the truth'

For Lord Janner, the conference is the fulfilment of a promise he made himself 50 years ago.

As an 18-year-old British soldier and war crimes investigator, he entered the Belzen concentration camp in Germany on the first anniversary of its liberation. The memory has remained with him.

"Ever since, I've been haunted by the grief of the survivors," he said in his opening remarks yesterday.

"There was no Israel, there was no Jewish state, there was no country that wanted them and there was no hope of justice."

"It was then that I determined that one day, somehow, I would try to do something to bring some sustenance, some hope to the survivors and their families."

Lord Janner, who is now the chairman of the Holocaust Educational Trust, was doing his national service with the Royal Artillery when he made contact with Belzen, which was the only camp for displaced Jews in the British zone of Germany.

His first visit to the camp was to a service of remembrance. "I remember every second of that day. I can remember standing by mass graves, with signs saying here lie 10,000 bodies, here lie 5,000, and a few individual graves," he said.

"Everybody was crying as they said memorial prayers. I suddenly found myself in the

worst hardship and misery I could conceive."

Afterwards they took him for tea with 50 orphans, all dressed in clothes made from American army blankets.

"I remember one little girl turning her face to the wall and singing a song about crying for her mother. It just tore me apart. Then there was another little, Ella, who wouldn't talk to anybody." Lord Janner said he was so shocked and moved that for the next two years he gave all his spare time to helping in the camp.

"The whole of this conference is a dream," he said. "It's brilliant. Here are 40 nations who have come together and started to co-operate. This conference is entirely unique. It's a great international recognition of moral debt."

He said it provided new hope for an energetic quest for truth which must lead to more restitution for Holocaust survivors and their families.

"Is it not devastating that 50 years after the end of the war we still do not know the full and real truth about what happened to Nazi gold and especially individual non-monetary gold torn from people, most of whom were murdered?"

"No one can ever return to the victims and their families their wrecked lives, their murdered relatives, their homes and their hope, but we can at least seek to uncover the truth."

— Louise Jury



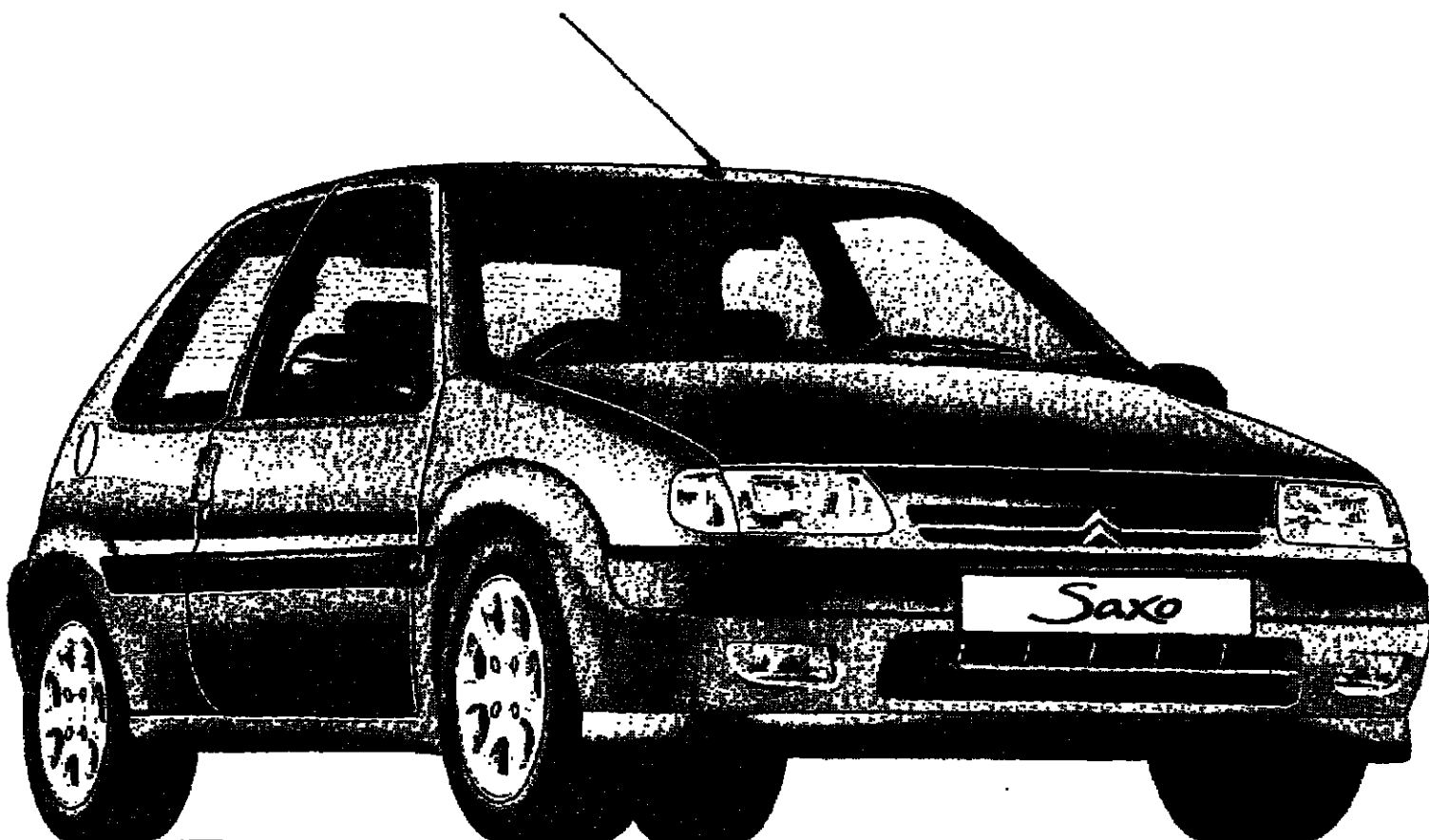
Left people forget: A camp survivor at Belzen (left) in 1945 and the young Greville Janner in uniform in the same year

Photographs: Wiener Library/Imperial War Museum

CITROËN

Citroën Saxo.

Insurance Group Free.



Now with 2 years free insurance.*

Not one year, two.

Buy any Citroën Saxo (including the sporty VTR as shown above) and we'll pay for comprehensive insurance for 2 years.

What's more, drive away a Saxo on our highly flexible Elect 3 finance scheme and we'll even give you £300 towards your deposit (16.3% APR).

Saxo prices start from just £7,825 on the road for the nippy

1.1iX 3 door. A model that gives you a driver's airbag and a four speaker radio/cassette. Coded engine immobiliser. Tinted windows and body coloured bumper skirts.

See? We even give you quality of life insurance. For further information call free on 0800 262 262.

Saxo prices from £7,825 on the road.

CITROËN SAXO
NOTHING MOVES YOU LIKE A CITROËN

CAR SHOWN CITROËN SAXO 1.1iX VTR £18,870 ON THE ROAD. SAXO 1.1iX £7,825 ON THE ROAD. ON THE ROAD PRICES INCLUDE 1.6% FOR DELIVERY, NUMBER PLATES AND 12 MONTHS ROAD FUND LICENCE. CASH DEPOSIT CONTRIBUTION AVAILABLE ON SAXO TOWARDS ELECT 3 FINANCE ONLY. ATYPICAL ELECT 3 EXAMPLE FOR SAXO 1.1iX. ELECT 3 PRICE £8,140. DEPOSIT £2,741.31. 36 MONTHLY PAYMENTS OF £138. FIRST PAYMENT £302.20. TOTAL AMOUNT PAYABLE £10,270.31. APR 16.3%. ELECT 3 PRICE INCLUDES EXTENDED WARRANTY PLUS ROADSIDE ASSISTANCE. ELECT 3 AVAILABLE TO OVER 18 YEAR OLDS AND SUBJECT TO STATUS. A GUARANTEE MAY BE REQUIRED. WRITTEN QUOTATIONS AVAILABLE ON REQUEST. CREDIT FACILITY FEE OF £35 AND A SALES AGENCY FEE OF £5 ARE PAYABLE WITH THIS FIRST MONTHLY PAYMENT. *2 YEARS FULLY COMPREHENSIVE INSURANCE AVAILABLE ON SAXO MODELS 1 YEAR ON VTR MODELS. INSURANCE OFFER SUBJECT TO TERMS AND CONDITIONS AND APPLIES TO 17.75 YEAR OLDS (21.75 FOR VTR, 26.75 FOR VTR). A SEPARATE SCHEME APPLIES TO DRIVERS IN NORTHERN IRELAND. OFFER APPLIES TO RETAIL REGISTRATIONS OF NEW CARS ORDERED AND REGISTERED BY 11.11.97 AND 11.11.97. FOR FREE INSURANCE OFFER ON VTR. MODELS SUBJECT TO AVAILABILITY. PRICES CORRECT AT TIME OF GOING TO PRESS.

Farmers raise stakes in battle against cheap meat imports

Farmers in Wales yesterday claimed a further victory in their battle against 'cheap' meat imports when a £500,000 consignment destined for British shops was returned to Ireland. Tony Heath reports on an escalating crisis.

Six lorries laden with Irish meat returned to Rosslare yesterday after police at Fishguard told their drivers they could not guarantee their safe passage out of the West Wales port.

Five hundred farmers had gathered at Crymach, some 30 miles from Fishguard, and police were fearful of a repeat of Sunday night's scenes at Holyhead in which £70,000 worth of beefburgers were dumped in the harbour. The Irish vehicles were corralled when they disembarked from Stena Line's *Conings Bear*, and after a meeting with police the drivers decided to re-embark.

Keith Turner, assistant chief

constable of the Dyfed-Powys force, issued a statement declaring that his officers were not going to take sides and become involved in a political dispute. "Our primary role is to preserve law and order and maintain public safety," he said.

The "victory" at Fishguard has caused anger in the Irish Republic. However, it was enthusiastically hailed yesterday by crowds at Bwlth Wells where the National Farmers' Union launched a petition addressed to the Agriculture Secretary, Jack Cunningham, and the Welsh Secretary, Ron Davies, urging all possible measures "to stabilise the rural economy".

Hugh Richards, NFU vice-president in Wales, said: "The green pound compensation package should be implemented swiftly and we call on the Government to set an example by buying British agricultural products."

To the applause of a large crowd attending the auction of prime Welsh cattle, a coffin draped with the Welsh flag and surmounted by a sirloin of beef was paraded round the show ring. Black-suited and bowler-

batted pall-bearers later listed their frustrations at falling livestock prices and the perceived lack of government action.

Mick Bates, a cattle and sheep farmer from Llanfair Caereinion in mid-Wales, claimed his income was plunging dangerously low. "We must make the people in power aware of our plight. If it takes demonstrations to do that - so be it."

Keith Morris, who farms at Painscastle, near Hay-on-Wye, said: "Sheep prices are 30 per cent less than a year ago and the money we get for cattle is on the way down."

Terry Court, vice-president of auctioneers Russell, Baldwin and Bright, added: "A year ago a prime beast would fetch £900-£1,000. Today that's down to £600-£650."

Much rests on a meeting in London this afternoon when leaders of the NFU in Wales and the Farmers' Union of Wales are scheduled to meet the Welsh Secretary. The outcome will undoubtedly influence a gathering of farmers planned for tonight at Gaerwen, Anglesey, 20 miles from Holyhead.



Guides get the blues as jeans become part of the uniform

Britain's Girl Guides movement is split over a decision to "move with the times" and allow girls to wear jeans, it emerged yesterday.

The Guide Association announced that following popular demand, blue denim would be allowed as part of the uniform from 1 January. Spokeswoman Sue Fortunka said it was an attempt to bring the 710,000 guides up-to-date.

"Jeans are usually a basic item in every young person's wardrobe and we hope the ability to wear these may make Guiding even more accessible to many more girls and young women," she said. "Members will decide whether or not to wear jeans, according to their suitability to the activity."

But the idea has not met unanimous approval. One group has voted to ban them from public parades and church outings, and others are set to follow.

Lady Baden-Powell, a former head of the UK movement, said yesterday that jeans "weren't very suitable for church". "I personally think young people like dressing up on occasions," she said. Some parents, group lead-

ers, and even the girls themselves say jeans are not appropriate for their image. Margaret Courtney, leader of the 7th Plumstead Group, south London, said her girls had voted not to wear denim on public parade.

"Some parents have asked why they are doing it and that they look scruffy" she said.

But 12-year-old Kate Hill, a member of the 1st Nunhead Guides, south London, disagreed: "If you wear old jeans with holes in them it might look a bit scruffy, but smart ones will be OK."

"We are already allowed to wear them on day trips, or where we might get dirty."

She added: "Guiding is not seen as a fashionable thing to do. If guides are in jeans, more people might join in."

It is the first uniform change since 1990, when celebrity designer Jeff Banks introduced the movement to mix-and-match separates.

● Pictured left: Lianne Newport, 14, of the 1st Nunhead Guides in south London, models a 1930s uniform, while Helena Green, 12, shows the latest version.

Photograph: PA
— Jojo Moyes

Dixons

UP-2-YOU

MOBILE PAYPHONE

NEW FROM **one 2 one**

PRICE CHECK
WE CAN'T BE BEATEN

Every week we check the prices of hundreds of products in the national press to make sure that Dixons Price Check prices can't be beaten

NO BILLS
NO CREDIT CHECK
NO CONTRACT
NO CONNECTION FEE

COMPLETE CONTROL OF WHAT YOU SPEND - SIMPLY PURCHASE CALL VOUCHERS AND USE THEM TO PAY AS YOU GO.



INCLUDES FREE £10 CALL VOUCHER

NEW

one 2 one
UP-2-YOU

- 80% of Great Britain's population now covered.
- Voicecall 10p per minute.
- All other calls 50p per minute.
- Billing by the second.
- See your local store for more details.

PACKAGE PRICE
£129.99

PRICE CHECKED

3 WAYS TO BUY
350 STORES NATIONWIDE
24 HOUR ORDER HOTLINE
08000 68 28 68

Dixons

There's a Great Deal going on

If you find the same product cheaper locally, please let us know immediately. We will be pleased to refund the difference. Just notify us within 7 days of purchase. The product must be new, complete and available for immediate delivery. Mail only prices excluded.

Eating out is bad for you

People regularly eating out in restaurants, cafes and canteens are three times more likely to get food poisoning.

Cases of food poisoning increased by 14 per cent in England and Wales up to the start of this month, according to the Public Health Laboratory Service (PHLS) yesterday.

A memorandum submitted to the committee said research in South Wales had shown the higher risks posed to people eating out: prompting Peter Luff, the committee's Tory chairman, to ask whether that meant the rich were at greater risk than the poor.

There was no clear answer to that question, but Professor

Tom Humphrey, head of the service's food research laboratory, said: "When you rely on somebody else to cook your food, you live in hope that they do it properly."

In evidence to the Commons Select Committee on Agriculture, the service called for a ban on the sale of unpasteurised milk, and a review of the regulations on the spreading of sewage sludge on farms.

The proposed ban on the sale of unpasteurised milk, or Green Top, was first submitted to ministers in October by the Government's Advisory Committee for the Microbiological Safety of Food. It was acting on advice from the PHLS said this

week that its own report, condemning unpasteurised drinking milk, was not available to the public because it had been submitted to *The Lancet*.

Jeff Rooker, the food safety minister, is consulting interested parties on a Government proposal to ban the sale of Green Top in England, Wales and Northern Ireland - extending a ban introduced for Scotland in 1983.

The Advisory Committee said in evidence that there was also "growing concern about fruit, vegetables and salad crops which can be contaminated from animal or human sources, and from irrigation water".

— Anthony Bevins, Political Editor

Moral angle Farce claim from maths in pay row

Maths and design and technology should be used to teach moral values, according to guidance from government advisers published yesterday.

Outside the classroom, garden plots, circle time and hunger lunches can all help to promote morals. New materials advising schools on how to teach morals through every subject are to be piloted in 50 schools.

"Every subject is value-laden," says the guidance on spiritual, moral, social and cultural development from the Qualifications and Curriculum Authority. "In mathematics, for example, truth is important. Scientific developments often give rise to moral dilemmas. History and English help pupils explore issues of motivation and character."

In design and technology, ownership of the artifacts pupils make can increase their respect for property. — Judith Judd

The Gallic contractors who maintain English Heritage monuments such as Stonehenge and Hadrian's Wall came under fire yesterday for allegedly presiding over a "French farce" in their industrial relations.

The Transport and General Workers' Union said a pay offer by SITA - which is owned by Lyonnaise des Eaux - of 6 per cent over 18 months was not worth the paper it was written on because it included a clause which means that management can change conditions of employment whenever it pleases. "If SITA looks after its ancient monuments as well as it looks after its workers, I don't give Stonehenge to the end of this year," said union official Chris Kaufman.

SITA director Bill Elliott said unions had agreed to recommend the package. "The next thing I hear is that they are holding a press conference in which they attack the deal and the company."

— Barrie Clement, Labour Editor

Railway band back on track

Britain's only railway military band has won its battle to carry on playing at its traditional home. Railtrack said last week that platform refurbishment would mean the 80-year-old Great Western Railway Band would have to leave its home at London's Paddington station.

But last night Railtrack said that a "blast of opposition" had led to a change of heart and that the band could play on at Paddington.

Nut warning

Somerfield supermarket chain issued a health warning yesterday after a teenage girl with a nut allergy reacted to traces of peanut in its own-label Chicken Tikka Kiev. The store is offering a full refund to worried customers. The teenager has made a full recovery.

DAILY POEM

A Birthday

by Christina Rossetti

My heart is like a singing bird
Whose nest is in a watered shoot;
My heart is like an apple-tree
Whose boughs are bent with thick-set fruit;
My heart is like a rainbow shell
That puddles in a halcyon sea;
My heart is gladder than all these
Because my love is come to me.

Raise me a dais of silk and down;
Hang it with vair and purple dyes;
Carve it in doves and pomegranates,
And peacocks with a hundred eyes;
Work it in gold and silver grapes;
In leaves and silver fleurs-de-lys;
Because the birthday of my life
Is come, my love is come to me.

This week's poems come from the seventh edition of *Poems on the Underground*, edited by Gerard Benson. Judith Cher-niak and Cicely Herbert (Cassell, £12.99). Emulated around the world since its launch in 1986, *Poems on the Underground* now has counterparts on transport systems in cities from Moscow to Adelaide, as well as on the Internet.

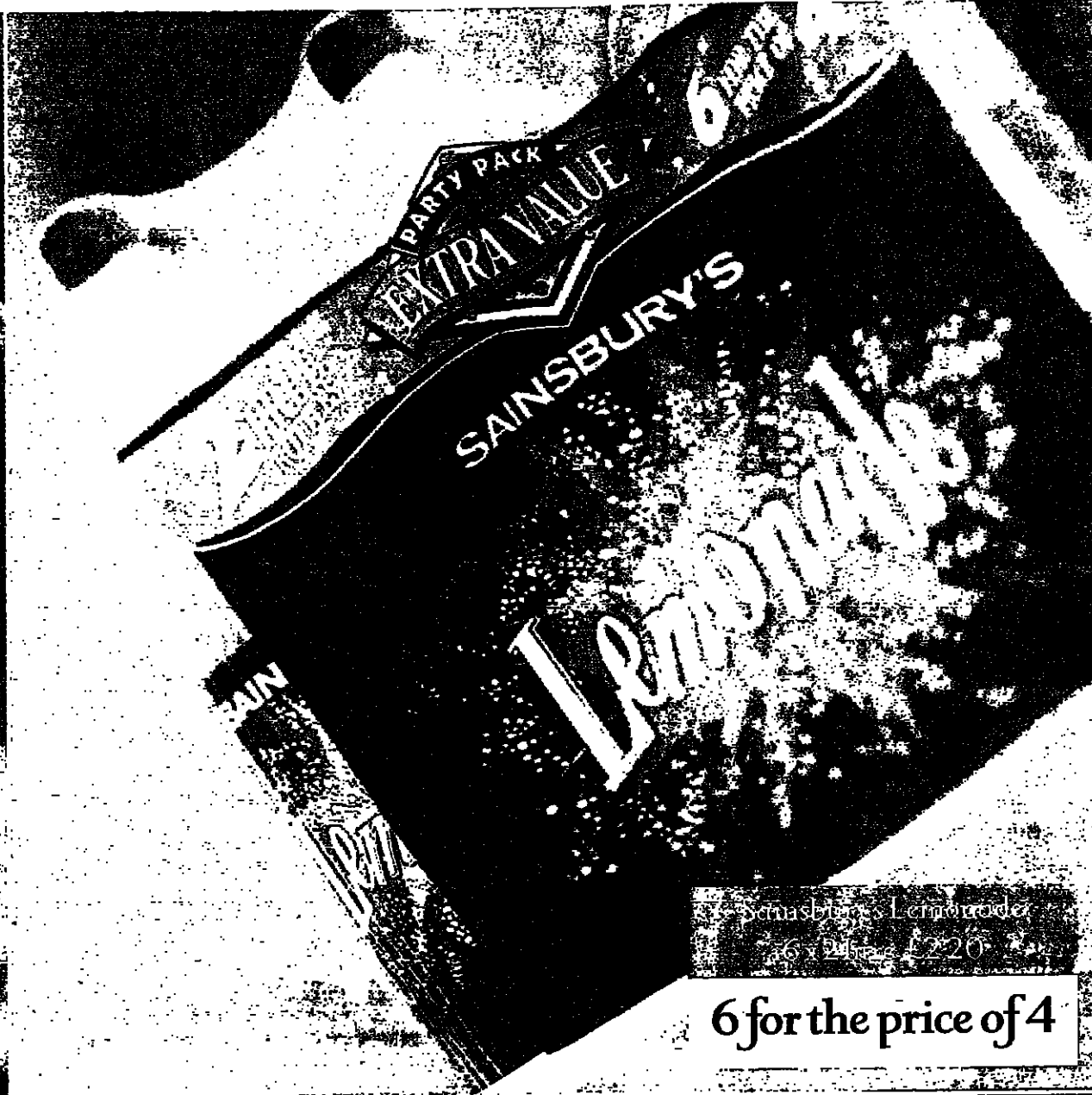
سكننا من الازل

Great offers at Sainsbury's. Well, it is Christmas.

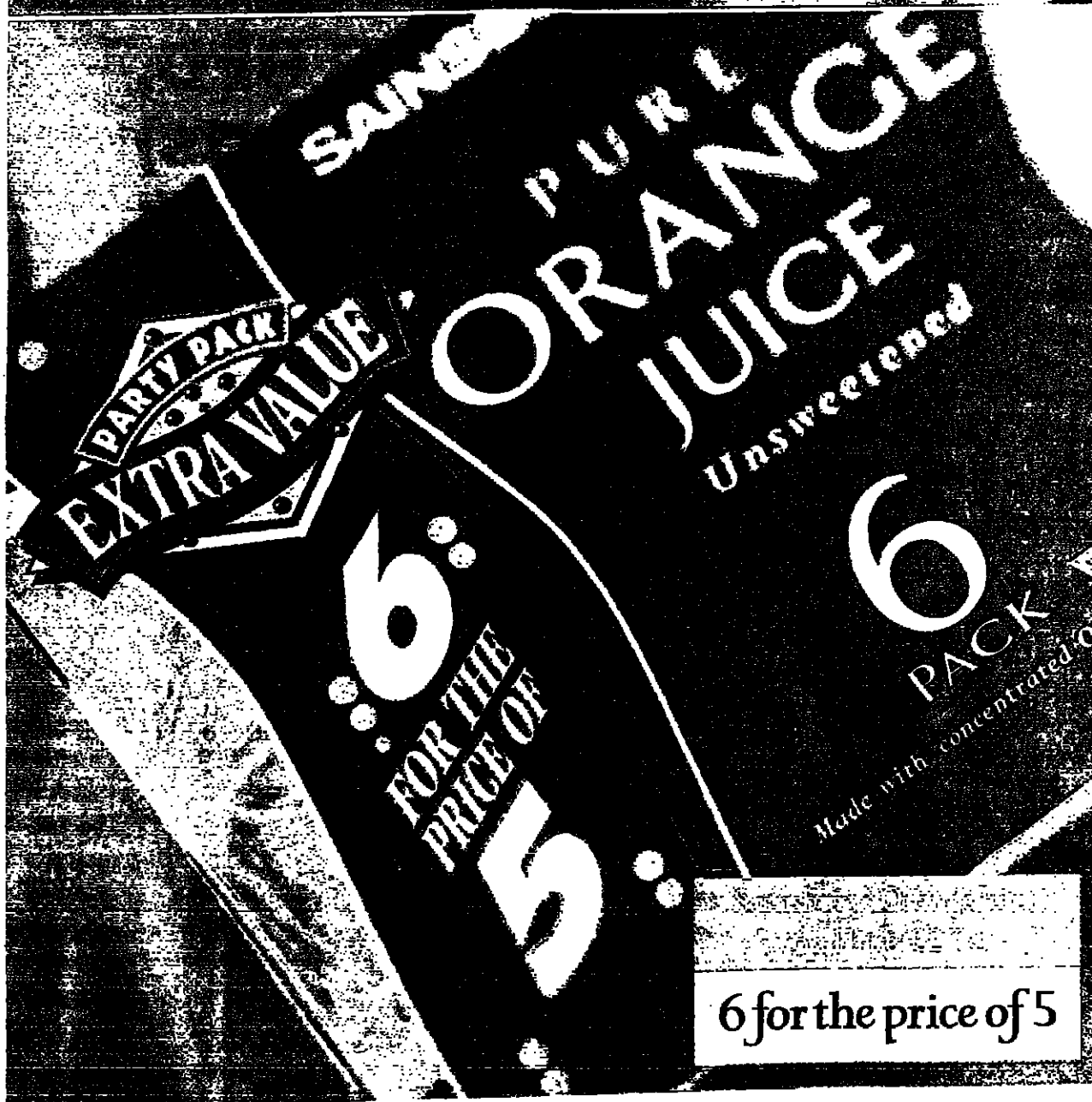


£3.29

Special Purchase £3.29



6 for the price of 4



6 for the price of 5



Buy 2 get 3rd Free

Christmas
at Sainsbury's

SDP hedges bets with twin track policy

Unable to decide whether to turn left or right, Germany's Social Democrats are doing both. Inre Karas reports from the largest opposition party's conference in Hanover.

The years rolled back as Oskar Lafontaine, the leader of the party which hopes to unseat Chancellor Helmut Kohl, rose to the podium. He spoke about the evils of capitalism, castigated wicked speculators, and condemned the profiteers who put "shareholder value" above the interests of employees.

It was a virtuoso performance. An emotional appeal to the Social Democrats' core values, drawing on socialist terminology of yesteryear, was laced with harsh criticism of the Kohl government's economic policies.

On the threshold of election year, that was to be expected, but Mr Lafontaine did not stop there. Taking a tilt against the dark forces of "globalisation", the German leader put himself forward as the champion of a Social Democratic Europe.

But whilst he praised his British comrades for signing the EU's Social Charter, Mr Lafontaine made it clear that he was more in tune with the traditional leanings of French Socialists. The road to salvation -

and power - led via interventionist policies, he indicated.

"Without a co-ordinated economic and financial policy on a European scale, it is no longer possible to promote growth and employment," he declared. Europe, he suggested, should become a fortress against the excesses of globalisation: wage-dumping, tax-dumping and social dumping.

Mr Lafontaine also wanted the EU to uphold Germany's high standards on environment, and "harmonise" them throughout the community. On the domestic front, he suggested higher taxes on energy, and more spending on education and job-creation.

The motto of the party's four-day conference is "Innovation and social justice". Mr Lafontaine dwelt at length on the latter, but barely mentioned the former. That task will fall to Gerhard Schröder, the Social Democrats' second chancellor candidate.

Mr Schröder's message, to be delivered tomorrow, will be diametrically opposed to Mr Lafontaine's ideological presentation. Mr Schröder mistrusts "European" solutions, and likes to present himself as Germany's own Tony Blair.

The party will decide between the two next March. Until then, the Social Democrats must soldier on, with their twin track programme and double-headed candidate.



Party pair: Gerhard Schröder hugs Oskar Lafontaine, right, at the Social Democrat conference yesterday Photograph: Wolfgang Rattay/Reuters

Walesa sets up new party

Lech Walesa, Poland's former president, received approval yesterday for the party which he hopes will draw non-voters to the polls.

Mr Walesa has said the Christian Democracy of Poland party - registered by a Warsaw court - will not compete with Solidarity, the union-led political bloc he also founded.

Mr Walesa endorsed the right-leaning Solidarity Electoral Action ahead of its victory in parliamentary elections in September but said he wanted a new party aimed at attracting the 52 per cent of Poles who did not vote.

Cyprus talks fail

A Brussels envoy failed to persuade the Turkish Cypriots to join their Greek counterparts in negotiating the island's accession to the EU. Speaking after two-day talks with the Greek and Turkish communities on the island, Hans van den Broek, the EU Commissioner for Foreign Affairs, said he would continue his efforts. The remark was seen as an admission of failure. — AP, Nicosia

'Evil' bishop goes

Swiss Catholics breathed a sigh of relief yesterday after the Vatican announced that their most conservative and controversial bishop, Wolfgang Haas, is to be moved to Liechtenstein. His opponents accused him of being authoritarian, even evil or mad.

Tensions between Bishop Haas and other leading Swiss Catholics mounted after his appointment to the see of Chur in 1990. He angered liberals in his flock by opposing moves to allow lay preachers and enhance the role of women in the church.

His supporters in Chur collected up to 10,000 signatures earlier this year backing him. But opponents countered that they could easily collect 100,000 names against him.

Girls' master class

The Vienna Boys' Choir announced on Tuesday that it would admit girls for the first time next year - but only to its elite music school, not to the choir itself. Announcing plans to celebrate the choir's 500th birthday next year, the artistic director Agnes Grossmann said girls would be admitted to the kindergarten next December and to the junior school the following year. — Reuters, Vienna

Iraq could target London

The US last night stepped up the war of words against Saddam Hussein, saying that Iraq's secret stocks of chemical and biological weapons, combined with a growing missile capability, made him far more than a mere local threat in the Middle East.

William Cohen, the Defense Secretary, told a meeting of his NATO colleagues in Brussels that President Saddam was working on an enhanced missile with a range of 3,000 miles, bringing targets like London or Paris well within range.

He possessed not the "few drops" of the lethal VX toxin claimed by Baghdad, but almost four tonnes - as well as between

2,000 and 6,000 gallons of anthrax bacteria, which he was well on the way to "weaponizing".

Mr Cohen's presentation, complete with charts and photographs, was designed to steel NATO for a further showdown in a crisis which Washington believes is far from resolved. Unflinching allied support was essential for the UN arms inspectors if they were to do their job properly, US officials said, claiming that one of the 60-odd "presidential palaces" declared off-limits by President Saddam had an area as large as Washington DC.

— Rupert Cornwell

Yeltsin's nuclear arms cut misfires

Keeping up his reputation for the unexpected, Russian President Boris Yeltsin yesterday declared his country would unilaterally slash its number of nuclear warheads by one-third.

Less than an hour after the president's pledge at a news conference on the first day of a three-day visit to Sweden, a spokesman said the cut is not imminent. Yeltsin's advisers often have to retract or modify his statements.

— Stockholm, AP

Explosion kills 61 miners

Battling with freezing temperatures and burdened by out-dated equipment, teams of rescue workers were last night digging through rubble in search of survivors from a massive explosion in a Siberian coal mine which claimed at least 61 lives.

News of the tragedy, which was the worst recent accident in Russia's notoriously unsafe mining industry, dominated the nation's headlines, overshadowing the start of President Boris Yeltsin's three-day trip to Sweden.

The death toll rose steadily yesterday as body after body was brought to the surface following a methane gas explosion during

the overnight shift at a mine in the city of Novokuznetsk, 500 miles north of the border with Mongolia.

The mine was built under Stalin, and was opened just after the Second World War. Moves have long been afoot to reform Russia's costly and out-dated coal mining industry, but progress has been slow. Miners have been forced to continue working with equipment that is both old and unsafe.

Phil Reeves in Moscow
● Stockholm - President Yeltsin, speaking in Sweden yesterday, said Russia will unilaterally slash its number of nuclear warheads by one-third.

STAPLES
The Office Superstore

EXCLUSIVE LOW PRICE PC SYSTEM

£999 INC. VAT
EX. VAT £850.21

COMPLETE INTERNET READY SYSTEM

- 1. 180 MHz PC
- 2. COLOUR INKJET PRINTER
- 3. 33.6 FAX/DATA MODEM
- 4. MS OFFICE 97

COMPAQ PRESARIO WITH LEXMARK COLOUR INKJET PRINTER
MODEL NO. 9212 SKU 288662, MODEL NO. 1000 SKU 289199

INCLUDES OVER £1000 WORTH OF SOFTWARE
Microsoft Office 97: Word 97, Excel 97, Outlook 97, Financial Adviser 97, Works 4, Creative Writer 4, Money 97, Encarta 97, MS Soccer, Sim City 97 and many more with voucher offer.

14 MONTHS INTEREST FREE OPTION*

0% APR Example: Cash Price £999, 10% Deposit £100, 12 monthly payments of £99.99. First payment £10.99. Total amount payable £999.
OR 29.9% APR Example: Cash Price £999, 10% Deposit £100, 30 monthly payments of £99.99. Total amount payable £1549.

FOR YOUR NEAREST STAPLES STORE OR TO PLACE AN ORDER FREEPHONE 0800 14 14 14

OPEN TO TRADE & PUBLIC 7 DAYS A WEEK
MONDAY-FRIDAY 9-5 SATURDAY 9-4 and SUNDAY (Open 6 hours, times may vary)**

LOW PRICE PROMISE
We will match any price for the same product and quantity.

FREE NEXT DAY DELIVERY*
On orders over £100. Call 0800 14 14 14 for details.

ASHTON
BARNSTABLE
BIRMINGHAM
ASTON WATERLOO
CLYDEBURY
SOUTH WYNDLEY
WILMINGTON
WEST BROMWICH
BOLTON

BRADFORD
BIRMINGHAM
CAMBRIDGE
CARDIFF
CHATHAM
CHELSEA
COLCHESTER
DOVER
DUNDEE

HANLEY
HIGH WYCOMBE
HULL
IPSWICH
LEEDS
LONDON
BIRMINGHAM
BIRMINGHAM
BIRMINGHAM
STOCKPORT

MANCHESTER
MILTON KEYNES
NORTHAMPTON
POOLE
READING
ROTHAM
SHEFFIELD
SOUTHAMPTON
STOCKPORT

SUNDERLAND
SWANSEA
TELFORD
TRURO
WALSLEY
WARRINGTON

**IT'S BIG, IT'S RED,
IT'S RUDE (in parts)
... IT'S ON-LINE!**
(1st - 31st December 1997)

The **COMIC RELIEF**
Christmas
Website



See you there @

www.comicrelief.btwebworld.com

Sponsored by BT

صحنه من الاله

Wildlife feels the heat from our climate folly

Wildlife as well as people will be endangered by man-made changes in climate, two leading conservation groups will tell the Kyoto climate treaty meeting today.

Nicholas Schoon, Environment Correspondent, looks at their claim that plants and animals are already giving early warning of a warming world.

Edith's checkerspot indicates that the southern edge of its range has been shifted 60 miles north as a result of an average 0.7C warming.

Any further south and conditions are too hot for the butterfly to maintain a population, but it has an alternative - moving upwards. If it lives on cooler high ground, such as mountainsides, it can tolerate living in lower latitudes. The scientists found these upland butterflies had, on average, shifted nearly 400ft higher.

Another study of 14 European butterfly species found nine had moved their range northwards by an average of 125 miles this century, three had stayed roughly put, one was expanding in all directions and only one appeared to be moving southwards. Research on alpine plants has shown that they are moving up mountains as higher temperatures climb up from below.

These are a few of the examples discussed at a scientific conference on wildlife and climate change in Colorado earlier this year. Biologists believe some flora and fauna can act as highly sensitive indicators of climate change, responding to small but sustained alterations in temperature.

The findings from the conference are being released in Kyoto today by the international conservation groups World Wide Fund for Nature and Birdlife International, whose UK member is the Royal Society for the Protection of Birds.

The UN climate treaty negotiations in Kyoto are centred around what cuts developed countries should make in their emissions of climate changing greenhouse gases, principally carbon dioxide which comes from burning coal, oil and gas.

They end in the middle of next week, and have made little progress so far. The really serious talking starts at the weekend, when ministers arrive.

Campaigners' victory will not protect peat

Controversial plans to remove the special wildlife designation from parts of two big English bogs were abandoned yesterday. But, says **Nicholas Schoon**, that will not save them from peat extraction.

Environmental groups celebrated, but the conservation saga of Thorne and Hatfield Moors on Humberside appears no nearer a happy ending after English Nature's decision yesterday. The ruling council of the Government's wildlife watchdog decided to drop plans to remove Site of Special Scientific Interest (SSSI) status from nearly a fifth of their combined area.

These moors on Humberside are fine specimens of raised, lowland peat bogs - a rare habitat in Europe. It consists of a huge, low mound of peat which has accumulated over thousands of years, with its own collection of plant and animal species living on top.

Despite their SSSI designation, for many years they have been damaged by peat extraction - which lowers the water table and dries them out, killing the special bog vegetation. In the past few decades this has escalated, leading to massive, mechanical peat stripping to

provide peat for horticulture.

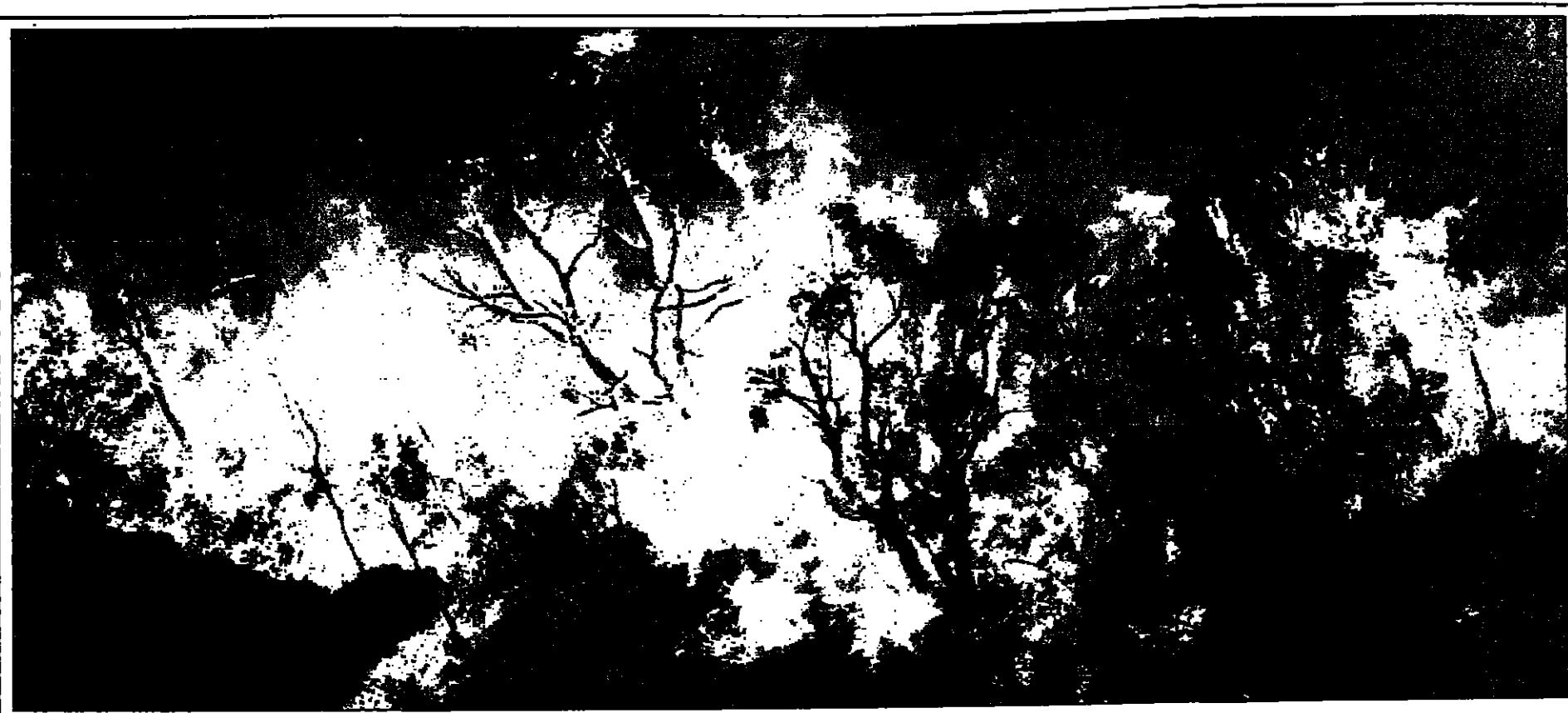
Five years ago English Nature did a deal with Levington, the company which has long-established planning permissions to extract the peat. The relatively undamaged majority of the moors, covered in vegetation, were given over to the conservation arm in order to protect them as nature reserves. Levington was given *carte blanche* to keep mining peat from the remainder, until it got within half a metre of the underlying rock. Then it would have to stop, so the thin layer of remaining peat could hopefully be restored as bog.

In effect, the deal gave the company about 30 years more exploitation of the moors. It was decried by environmentalists, who said it was wrong in principle and that further extraction would keep on lowering the water table - threatening the rest of the moors.

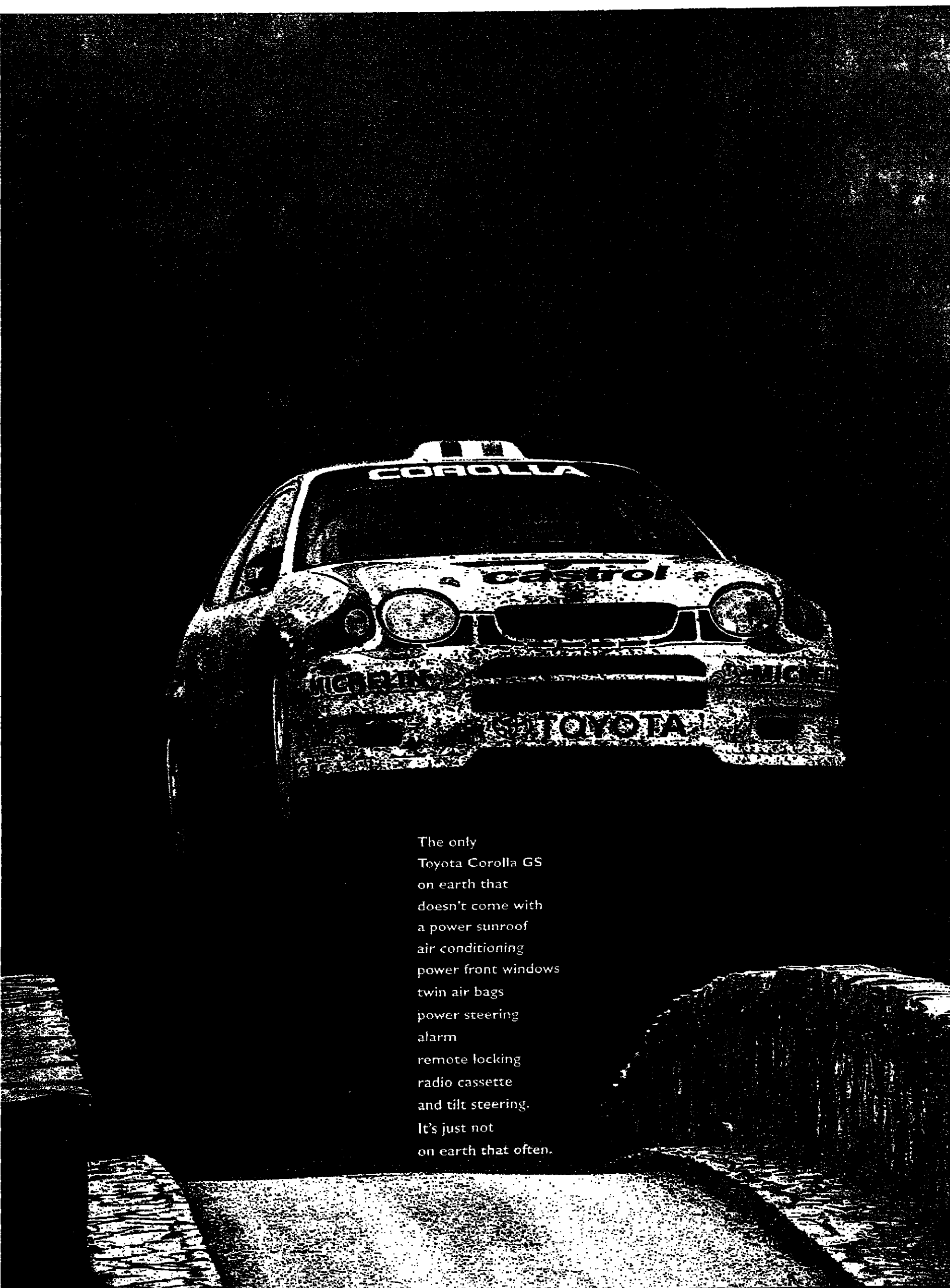
This year, English Nature's top officers had proposed removing the SSSI status from those parts of the moors being worked by Levington. But yesterday, English Nature's council rejected the proposal, because it could not be certain that continuing extraction would not damage the rest of the moors.

Conservation groups were delighted but, as English Nature pointed out, the decision does nothing to get Levington off the moor.

To do that, the local council would have to revoke the company's planning permission for peat extraction - in return for which it would have to pay large sums in compensation. Alternatively, the Government would have to change the law concerning planning and wildlife sites. Both environmentalists and English Nature can agree that is necessary.



Rage on: Bush fires, fanned by hot winds, reached the Menai area of Sydney yesterday, destroying 30 homes. Two firefighters died in Lichgow, 100km north-west of Sydney, as 5,000 battled some 400 blazes across New South Wales. With dry weather set to continue, officials fear the worst
Photograph: Stephen Cooper/Reuters



The only Toyota Corolla GS on earth that doesn't come with a power sunroof, air conditioning, power front windows, twin air bags, power steering, alarm, remote locking, radio cassette and tilt steering. It's just not on earth that often.

The new Toyota Corolla. The car with the big following.

MODEL SHOWN: TOYOTA COROLLA WORLD RALLY CAR, £299,995. TOYOTA COROLLA 3 DOOR GS FROM £12,660. CALL 0800 777555 FOR DETAILS.

THE CAR IN FRONT IS A TOYOTA



Harman pledges to help lone parents

Labour fears that Ministers plan to use benefit cuts as a form of punishment were robustly rejected by Harriet Harman last night. The Social Security Secretary told Anthony Bevis, Political Editor, that lone parents want work, and she is there to help.

A much-hyped Labour revolt over the £400m cut in lone parent child benefit is expected to attract no more than two dozen backbench rebels in the Commons next Wednesday.

All the rebels are expected to abstain rather than vote with the Tories on the remaining stages of the Social Security Bill, and in an interview with *The Independent* last night Ms Harman reassured critics that the lone parent cut is a one-off - and will not create a precedent.

"I don't want people to see this as a carrot-and-stick approach," she said. "I have never thought that lone parents needed to be given an incentive of a benefit reduction to work. But we do need to stay within our budget, and it is unavoidable."

Ms Harman said: "This is an

inheritance measure, left over by the Tories. It is not part and parcel of the New Deal. I left no stone unturned to see whether it was unavoidable."

She added that there was no question of the cut being applied as a principle or precedent. "Absolutely not," she said. "It is not a principle. I don't believe in cuts in lone mothers' benefit to drive lone mothers into work. I believe in making work pay. They don't need encouragement; they need opportunity. They want to work, they want to be better off, and they want their children to be better off."

The latest departmental surveys were showing that of those lone mothers who were being interviewed under the New Deal approach, designed to assist lone mothers into work, four out of every five wanted work and wanted to keep looking for work.

Ms Harman, who will be addressing a meeting of senior managers today about her zeal for the New Deal, said Labour's approach was to build on the enthusiasm of people who wanted to help themselves. "The Tories were absolutely blind to it," she said. "They didn't even count them as unemployed, more than half the workless households."

"They were able not to notice a million sparky, enthusi-

astic, motivated and well-organised lone mothers."

"They were not able to see those people with some disabilities or health problems who, with a bit of extra help and support, would actually be doing a job, and wanting to be."

But in a later Commons intervention, the Labour MP Dennis Skinner criticised some of the language of Labour's New Deal approach, saying that there were villages in his Bolsover, Derbyshire, constituency where pit closures had left thousands out of work.

"I want the ministers of this Government to understand that there are areas of Britain, including mine, where this idea of work being available is laughable for a lot of people," he said.

In a Commons written reply last night, Ms Harman announced a £2.45bn benefits uprating for 1998-99.

She said the key points of the uprating, which included an inflation-based increase of 3.6 per cent for all National Insurance benefits, included a £2.25 rise in single pension, to £64.70, with an extra £3.60 for pensioner couples, taking their pension to £103.40 from the week starting 6 April 1998.

On child benefit, she said: "The rate for the eldest child will be increased to £11.45. The rate for each subsequent child is increased to £9.30."



Sporting chance: Tony Blair with (left) the England coach Glen Hoddle and (right) the Arsenal star Patrick Vieira at the FA headquarters in Lancaster Gate, London, to launch a competition for schools on the theme of Let's Kick Racism out of Football. Photograph: David Rose

Council taxes may rise 10% in spending squeeze

Council tax payers will face increases of up to 10 per cent in their bills next April, Colin Brown, Chief Political Correspondent, says John Prescott, the Deputy Prime Minister, is also taking money away from rich London boroughs and giving more to Tony Blair's council.

WHO'S FOOTING THE BILL

Biggest Winners	% Change	Biggest Losers	% Change
Council	19.8	Runnymede	-9.7
Easington	19.8	South Staffordshire	-7.4
Wear Valley	15.4	Rushcliffe	-6.8
Sedgefield	13.3	South Bucks	-6.8
Hyndburn	11.3	East Dorset	-6.3
Chester-le-Street	11.3	Bromsbury	-5.3
Rossendale	10.6	Sevenoaks	-5.2
Wansbeck	10.5	South Oxfordshire	-5.1
Teesdale	9.7	Taunton Deane	-5.0
Harrogate	9.0	Tewkesbury	-5.0
Pendle	9.0		

Councils were predicting cuts in welfare services such as home-helps and meals-on-wheels after Mr Prescott announced a tough year ahead for council spending.

Mr Prescott said the average rise in bills would be around 7 per cent, increasing the council tax for a typical band D house, worth £88,000 to £98,000 from £593 to £635 - a rise of £42.

The Tories' loudest complaints were over changes to the system for assessing the needs of councils, which will see a switch in resources from many local Tory shires to hard-pressed Labour councils.

The big winners are all in the North-east, including Easington, Wear Valley and Sedgefield - in the Prime Minister's constituency, which will be allowed to spend an extra 13 per

cent. The biggest losers in the shires are Runnymede, South Staffordshire and Rushcliffe, constituency of the former Chancellor Kenneth Clarke.

The biggest losers in London including the Tory flagship borough of Westminster, which will lose £20m, and the City of London, but Labour-controlled Camden is also down by £1.6m on the amount it can spend.

One of the reasons for the

shift in the capital is a change in the rules, which previously gave a bonus to Westminster for the number of tourists it attracted. "The previous Government's formula treats people staying in the Ritz in London as if they were as deprived as the average local resident - that was unfair and wrong," Mr Prescott told MPs.

Mr Prescott, who remains in favour of redistribution of wealth, will be consulting on a plan to introduce a new top rate council tax band, above the present H band, for those with houses worth £450,000 or more.

Next year's budget is in line with figures Labour inherited from the Tories. But the Opposition spokesman, Sir Norman Fowler, protested that millions would be worse off and John Redwood accused the Government of "mean-minded tax rises by stealth". The shadow trade spokesman said tax on savers, business taxes since the

election, and the increase in council tax bills showed the Chancellor, Gordon Brown, was storing up a war chest for the next election. "He is a morose man and he wants everyone to be miserable as well," Mr Redwood said.

Liberal Democrat spokesman, Paul Burstow said: "Having adopted Tory spending plans, the Government is now delivering Tory spending cuts."

Welcoming an increase in spending for education of £835m, Sir Jeremy Beecham, the Labour leader of the Local Government Association, said: "I think we will have to look at cuts in social services."

The Department of Education and Employment last night wrote to councils warning them not to spend on other services the extra 5.7 per cent spending earmarked for schools by the Chancellor in his Budget. But there is no legislation to make sure it is ring-fenced.

Questions about the Norfolk Gnasher bring out the beasts in Westminster

It looks a little like an unfortunate case of regional one-upmanship. As controversy rages in the West Country over the Beast of Bodmin, the East of England has come up with its own version.

The Norfolk Gnasher has been seen at least 54 times since the beginning of July, according to police in Norwich. One farmer has reported finding a mutilated, half-eaten lamb half way up one of his trees. Others have suffered attacks on chickens and even a horse.

As ministers faced calls for a full inquiry yesterday into sightings of a similar black beast near Bodmin, MPs from Norfolk were beginning to ask questions about their own phenomenon.

Keith Simpson, the MP for Mid-Norfolk, said rumours of such a beast had been circulating for some time. But he was astonished by the latest figures.

Tony Bone, a former policeman who runs an organisation called Farmwatch, has been keeping an eye on the Norfolk phe-

nomenon. "This is not a figment of someone's over-active imagination," he said. "I have no doubt it exists, but so far it hasn't been a problem to human life." Mr Bone said he did not believe the animal had come from a local zoo, but thought it might have had a private owner.

A police spokeswoman said the force was taking the reports seriously, but its officers had not managed yet to catch sight of the animal.

Not everyone in Norfolk is taking the issue too seriously.

Mr Simpson suggested that many people were reluctant to go to the police for fear of being regarded as mad. Even he was nervous that he might be labelled as one catnip short of a full packet after asking Parliamentary Questions on the subject.

"People have been asking if Simpson is Norfolk's big cat in Westminster. One of my Labour colleagues keeps misquoting me. If he carries on, I'm going to scratch him," he said.

— Fran Abrams

Compromise deal is on the cards for Formula One tobacco ads

As the public health minister Tessa Jowell faced down her Tory critics in a Commons committee yesterday, she was unwilling to say what the Government's latest view on Formula One tobacco sponsorship was. But officials made it clear that a compromise deal would be on the cards when European health ministers meet tomorrow to discuss the ban.

It also emerged yesterday that Formula One receives a smaller proportion of its funding from tobacco sponsorship than billiards or snooker. Although racing receives the largest sum, £150m worldwide and £35m in Britain each year, the figure represents only 50 per cent of its income. Billiards and snooker relied on tobacco sponsorship for 70 per cent of their income, receiving £4m worldwide.

A month ago Ms Jowell wrote to her European counterparts saying that because Formula One was more dependent on tobacco sponsorship than other sports it should be given special treatment. The decision caused a row after it was revealed that the chief executive of Formula One, Bernie Ecclestone, had given Labour £1m.

Yesterday Ms Jowell maintained that Labour could be proud of its stance on tobacco advertising, which it promised to ban before the election. The

Conservatives had blocked moves to implement a European ban.

The sheer size of Formula One's tobacco funding would make it more difficult to replace than that received by other sports, she said, but she refused to say how many years' exemption she was now seeking for the sport. There had been reports that Formula One would be given 10 years to find alternative sponsorship, but last night there

were suggestions that the phase-in period could be even less.

An amended proposal for the new European directive gives most sports two years to implement the ban - in reality three and a half years because it would take 18 months to put legislation in place. A further period for sports organised "at world level" is proposed, but its length is left open for discussion.

— Fran Abrams, Political Correspondent

7.00%

It's enough to make you lose interest in your Building Society.

	£7,500 £4,000 GROSS*	£15,000 £8,000 GROSS*	£10,000 £5,000 GROSS*	£25,000 £12,500 GROSS*
Banking Direct - Instant Access Savings Account	8.00%	7.00%	7.00%	7.00%
Barclays - Instant Access Savings Account	3.80%	3.80%	4.25%	4.80%
Woodward - Prime Gold (Instant Access)	3.25%	3.50%	3.50%	4.40%
Halifax - Super Deal (30 Day Notice)	4.10%	4.50%	5.25%	5.25%
Abbey National - Investor 30130 Day Notice	4.00%	4.30%	5.10%	5.00%

You don't need to save with a Building Society to get top interest rates that remain consistently high throughout the year.

At 7.00% gross*, you'll see our rate compares very favourably with the competition. Especially when you consider we offer instant access with no penalties or charges and free telephone banking.

All this from the comfort of your own home 24 hours a day, 365 days a year. So there's never any need to waste time queuing at the Building Society.

**BANK OF SCOTLAND
BANKING
DIRECT**
0500 804 804

STAY IN TOUCH • STAY IN POCKET

NO BILLS!

SAVE £10
INSTINCT PLUS
was £49.99
NOW ONLY
£39.99
PLUS FREE LOTTERY RESULTS

► NO CONTRACT
► NO MONTHLY BILLS EVER
► NO CONNECTION CHARGES
► JUST BUY THE PAGER

PAGEONE
Minicall PAGERS

Pagers from £39.99 available at Argus, The Link, Dixons, Currys Superstores, Comet, Indes, John Lewis Partnership, Pinnacle, Tandy, Staples, Globus Office World and other PageOne authorised dealers.

For further information FreeCall 0500 505 505

PER SECOND BILLING

FREE CONNECTION
180 MINUTES OF
FREE MONTHLY CALLS

FREE CONNECTION
Free connection to Vodafone 60 Plus GSM Digital Network £39.99

FREE MONTHLY CALLS
1st 60 mins of calls FREE per month, followed by 1st 10 mins of calls at 20p per min, plus 20p per min thereafter. 10p per min thereafter. 10p per min thereafter.

FREE LINE RENTAL
5 months free line rental in year 2 worth £150

FREE ACCESSORIES
Portable battery pack, 1st 10 mins of calls FREE per month, followed by 1st 10 mins of calls at 20p per min, plus 20p per min thereafter. 10p per min thereafter. 10p per min thereafter.

ERICSSON C4628 - £9.99
Up to 8.5 hours standby
7.5 hours talk-time
50 name/number memory
+ SIM
Data compatible
Weight 217g

FREEPHONE 0800 0 386638
CREDIT/CARD ORDERING HOTLINE. WEEKDAYS 9.30AM - 8.30PM. WEEKENDS 9AM - 5PM

Small print text at the bottom of the advertisement.

صكزا من الامهلي

Clinton fights to keep race relations drive on track

Bill Clinton travels to Ohio today to preside at a discussion of race relations that will be televised across America. Mary Dejevsky says the first big follow-up to his national dialogue on race may not be enough to save an initiative that is already floundering.

The town of Akron, barely 30 miles from the industrial city of Cleveland, was chosen by the White House for its model policies on race. They include the "Coming Together Fellowship", which pairs black and

white individuals who are members of existing clubs and groups and sets them the challenge of getting to know each other on one - the principle being that race relations will improve only when contacts are people to people, not "race to race".

The programme was started four years ago after the local newspaper ran a series of articles on the widening gap between the city's blacks and whites. For the purposes of today's conference, the city has the added advantage that it is 75 per cent white, increasing the likelihood that a respectable number of white people will attend a forum on what is seen as a largely black issue.

Whatever the credentials of Akron, to-

day's conference, denoted a town-hall style meeting in the manner of the largely unscripted gatherings at which Mr Clinton excelled during his presidential campaigns, has had almost as chequered a history as the President's race relations initiative as a whole.

Its agenda was adapted, if not thoroughly rewritten, after the Republican Speaker of the House of Representatives, Newt Gingrich, objected that proceedings would merely defend the President's known enthusiasm for "affirmative action" - positive discrimination on ethnic grounds.

Mr Gingrich complained that it would give no platform to the increasingly vocal section of opinion in the United States that

rejects "reverse" discrimination as contrary to the principle of equal opportunities. Now a number of opponents of affirmative action are expected to attend and address the meeting: the importance of affirmative action has also been scaled down.

A White House aide appeared to make a virtue out of necessity, saying: "Real life discussions about race are often contentious and emotional. There's no reason why this shouldn't be, too." But to many, including, it is said, Mr Clinton, the greater risk is that the conference gets bogged down in the same bland clichés and do-goodery that have characterised the initiative so far.

In fact, Mr Clinton might well wonder whether his "national dialogue" on race

really needed the President's imprimatur. Outside the hothouse of Washington politics, a feverish dialogue on race is already in progress, the like of which may not have been seen in the US since the civil rights movement of the Sixties.

The debate has been joined in courts, on radio talk shows, in the columns of newspapers and journals, and in a crop of new books. Several are scholarly rebuttals, four years on, of *The Bell Curve*, the book that argued a correlation between race and intelligence. Others analyse current racial divisions in the US and forecast, more optimistically than not, their eventual resolution in a demographic melting-pot.

Recent polls have suggested that racial

hatred and suspicion in America are at least disappointed, if not in decline. Another survey suggested teenagers were increasingly "colour blind".

On the ground, the evidence is conflicting. Housing and schooling is *de facto* segregated in much of the US. While the hometown of the Ku Klux Klan founder recently elected its first black mayor, an outbreak of racial attacks by skinheads in the mid-Western city of Denver has highlighted new friction. And in Texas, the growing Hispanic minority is challenging black control of councils and school boards, suggesting further conflict when whites cease to be an overall majority in a multi-coloured, if still not integrated, US.

Equality policy lives on

A recent out of court settlement in a landmark race relations case showed how far public and legal opinion has now swung against 30 years of affirmative action.

This policy, which encouraged positive discrimination for jobs and university places in favour of ethnic minorities and women has been in retreat for more than a year.

The celebrated case of a white teacher, Sharon Taxman, who sued for wrongful dismissal after her school chose to keep a black teacher on the staff, had been expected to decide the legality of "affirmative action" once and for all.

But last month Ms Taxman agreed to settle for more than \$400,000 rather than go to the Supreme Court. The money was paid not by the school authorities (the defendants), but by the Black Leadership Forum, a group of civil rights organisations. Their only possible motive was to fend off a judgment that they anticipated would go against affirmative action. The settlement means that there will be no Supreme Court ruling, therefore no end to affirmative action. —Mary Dejevsky



Fighting back: Some observers hope that *Amistad*, Steven Spielberg's new film about a slave-ship mutiny, may become a Schindler's List for America's African diaspora

Spielberg film of slave revolt hits home

The Clintons, along with members of the White House staff, were expected to get themselves into the mood for today's conference by attending a showing of Steven Spielberg's new film, *Amistad*, due to be released next week.

Amistad tells the true story of a mutiny on board the slave ship *Amistad* in 1839, the ship's subsequent capture off Long Island, and the eventual United States legal ruling that vindicates the slaves and sets them free.

Like so many of Spielberg's films, *Amistad* is guaranteed to strike a chord with the American public. It is already predicted that it could be a *Schindler's List* for the African diaspora. The curiosity about slavery has grown recently with suggestions that President Bill Clinton might issue a formal apology for the treatment of slaves.

Amistad, which is reported to be unflinching in its depiction of the suffering endured by slaves, offers a solution of a kind. By depicting the early US as a state of law, in which principled individuals - in this case, John Quincy Adams - were prepared to stand up for the right to freedom, even of those sold into slavery, Spielberg keeps the constitutional ideal of the US intact.

That it took the best part of 30 years, and a civil war, before the ideal and reality were brought into accord is what is seen as evil, not the essence of the US. —Mary Dejevsky, Washington

Winnie's daughter accused of torture

Members of Winnie Mandela's notorious football club yesterday claimed her daughter had taken a leading part in torturing those on her mother's hit list.

Mary Broid, in Johannesburg, says the testimony reinforces Mrs Mandela's image as a violent mafia leader.

Gift Ntombeni, a former member of the Mandela United Football Club, claimed Winnie Madikizela-Mandela's younger daughter, Zinzi, carved the initials ANC onto the back and chest of a man accused of being a police spy.

Mr Ntombeni, 25, said he saw Zinzi gouging out the letters with plastic utensils in the yard of Mrs Mandela's Soweto home in the late 1980s. As Mr Ntombeni told his story, the permanent smile that has played on the lips of Zinzi, 37, throughout seven harrowing days of testimony during which her mother has been implicated in at least six murders and many assaults, disappeared. It was replaced by a broad grin, and an exaggerated roll of the eyes heavenward.

Mr Ntombeni told the Truth and Reconciliation Commission hearings into the activities of the football club that Zinzi and her mother initiated and even took part in assaults. "I know this woman [Zinzi]," he said. "And I know what she is capable of..." Zinzi

definitely takes after her mother. Both of them are capable of any deed whatsoever."

Mr Ntombeni's testimony reinforced a portrait of Mrs Mandela as violent mafia leader rather than the Mother of the Nation. The portrait embarrasses her political allies. Yesterday it was reported that the ANC's Women League was rethinking its nomination of Mrs Mandela for deputy leader of the party, against the leadership's wishes, later this month.

Mr Ntombeni, like other witnesses, portrayed the football club as gangsters. They would, he said, hunt down "informers" and bring them back to a shack nicknamed Lusaka - the headquarters of the ANC in exile - at the back of Mrs Mandela's home. "Then we would start assaulting them and disappearing them," he said. Torture methods included burning.

No sane person defied Win-

nie, he said. Anyone who did was labelled a police spy. Mr Ntombeni said he left the club in 1988, when he was 16, after a year's stay at Mrs Mandela's house. He claimed Zinzi denounced him as an informer and Mrs Mandela hired a hitman to kill him.

According to Mr Ntombeni, ANC officials helped him leave the country for Uganda in 1992 after he went to the party's Johannesburg headquarters and complained that Mrs Mandela had ordered his assassination. He returned home two years later.

On Monday, the TRC issued a strong warning to Mrs Mandela after witnesses accused her of intimidation. Mr Ntombeni said Mrs Mandela summoned him to her home just a week ago to speak about his testimony. Ishmail Semanya, Mrs Mandela's lawyer, who sought to prevent Mr Ntombeni giving evidence, did not contest his claim.

Allegations against Zinzi Mandela-Hlongwane were also made yesterday by another former club member, Lerato-dikangeng. He claimed she instigated and participated in the torture of youths accused of raping a schoolgirl.

Mr Ikaneng revealed a large scar across his neck. He said he had been left for dead in a field in 1989 after Mrs Mandela found out he had given the police a statement about a murder committed by Siswe Sithole, the father of one of Zinzi's four children.

Mr Ikaneng said Gerry Richardson, the former "coach" of the football club, had cut his throat with garden shears. Mr Richardson is serving life for the murder of Stompie Seipei Mooketsi, 14, in 1989. Mrs Mandela was convicted of kidnapping the boy. Richardson is expected to testify today that Mrs Mandela ordered him to kill Stompie.

Mrs Mandela is expected to testify tomorrow. A taste of what might be in store was offered yesterday after ANC activist Evodia Nkandimeng, 33, claimed that Mrs Mandela had an affair with a police spy.

With no hard evidence to offer, Mr Semanya accused Mr Nkandimeng of being a police spy. Archbishop Desmond Tutu, TRC chairman, admonished the lawyer.

Yesterday, Alex Boraine, TRC deputy chairman, expressed the Commission's general dissatisfaction with the level of honesty among witnesses that have so far appeared - whether ANC big wigs or prisoners serving life.



Family affair: Winnie Mandela, left, with daughter Zinzi at the TRC hearing yesterday Photograph: Reuters



Move into another dimension - create your own CDs.

Lots of business tools will enhance your performance. The HP SureStore CD-Writer Plus doesn't just do that - it lifts you into another dimension.

Because now you can collect together the elements of multi-media including sound, graphics, video and data, and create a vivid, sophisticated CD that will impress clients and colleagues alike. File transfer is simplicity itself, using drag and drop, whilst CDs are the ideal way to communicate

with anyone who has a standard CD-ROM. The HP SureStore CD-Writer Plus is a new generation of re-writable drive. It means you can delete or replace files on CD just like a floppy - in fact it's the equivalent of up to 450 floppies! HP offers the complete solution with drive, software as well as a blank HP re-writable CD in the box.

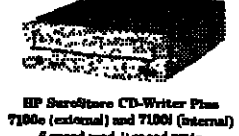
Go for HP SureStore CD-Writer Plus and take a leap ahead. Into another dimension. For your nearest stockist call 0990 474747.

HEWLETT-PACKARD

£297.87

£349.99

Available from your local
Byte, PC World,
Staples, Tempo
or John Lewis
Partnership



VALENTINO
REFURBISHMENT SALE
Mens & Ladies
160 New Bond Street, London W1
0171 493 2698

ZERO
Interest free instalments on
home and motor insurance
FREE CD WHEN YOU CALL FOR A QUOTE
0800 333 800
Lines open 8am-10pm Mon-Fri, 9am-5pm Sat

with anyone who has a standard CD-ROM. The HP SureStore CD-Writer Plus is a new generation of re-writable drive. It means you can delete or replace files on CD just like a floppy - in fact it's the equivalent of up to 450 floppies! HP offers the complete solution with drive, software as well as a blank HP re-writable CD in the box. Go for HP SureStore CD-Writer Plus and take a leap ahead. Into another dimension. For your nearest stockist call 0990 474747.

Why patenting this face could help boost celebrity fortunes

An attempt to patent the face of Diana, Princess of Wales is likely to prevent her image being used in cheap merchandising. It is also, as Jojo Moyes discovers, indicative of celebrities' attempts to take even greater control over their publicity.

The last attempt to "patent" a face was when the pop star Adam Ant tried to prevent the publication of cheap posters bearing his "New Romantic" look. The judge in that case ruled that there was no copyright on someone's appearance.

But now, due to the enlargement of the 1994 Trade-mark Act, it is possible to register much more. Because of this, lawyers acting for the Princess of Wales Memorial Fund have sent 26 photographs of her to be registered with the Patent Office, in a move which could generate millions of pounds - and have huge implications for living celebrities.

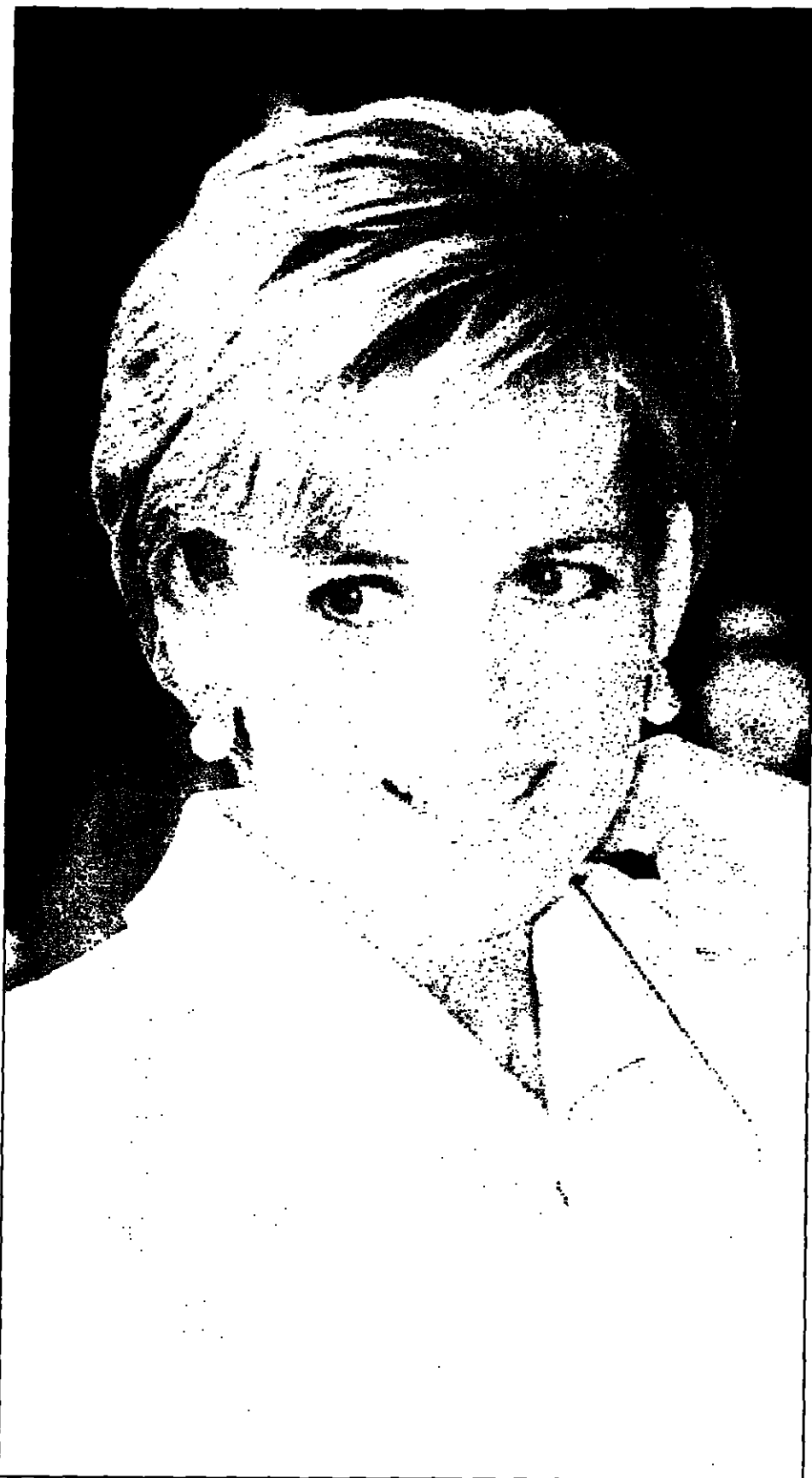
The photographs cover the Princess from almost all angles, and with different hairstyles. This means that anyone wishing to use on merchandise a photograph which was "substantially similar" to any of those 26 images would have to apply to the Memorial Fund for permission, and would be liable to pay a fee.

In a concurrent move, the office is also applying to register the name Diana, Princess of Wales, as a trademark. The two moves would effectively give control of the Princess's image to the fund office, and transfer the Princess's status into that of a trading emblem.

John Major, the former prime minister, who is acting as financial guardian to Princes William and Harry, is expected to go to the High Court before Christmas to pass the trademark rights from the Princess to the Memorial Fund.

Mr Major is said to want to establish that the young princes ultimately own the image and name of their mother. The decision on the trademark application is likely to take six months.

Kate Knightley Day, of the Memorial Fund office, said yesterday: "Such an application is highly unusual. It has been prompted by the extensive



Face and fortune: Lawyers acting for the Princess of Wales Memorial Fund have sent 26 photographs of her from almost all angles and with different hairstyles to be registered with the Patent Office.

Merchandisers would have to seek permission to use photographs 'substantially similar' to those images. Photograph: Tim Graham

from using them for merchandising."

According to Mr Fry, images could still be used as long as they were illustrative - but not as a basis for making money. He referred to a recent case in Scotland, where the pop group Wet Wet Wet had registered their name as a trademark and subsequently attempted to block an unauthorised biography in the same name.

"The book was initially blocked, but it went to appeal and the judge said that was wrong, as the phrase Wet Wet Wet was being used to say what the book was about," Mr Fry said. "On that basis, you would still be able to bring out a book called *Diana, Princess of Wales*, with photographs, but not a photograph album."

"The most relevant thing is they're firing a warning shot across people's bows. Even if manufacturers' lawyers labour late into the night, it's not always going to be worth it."

The Diana memorabilia industry is estimated to be worth around £100m worldwide. The Princess's solicitors have written more than 700 letters to companies to attempt to ensure that the memorial fund receives a share of the sale of Diana-related goods.

Recognising the lucrative possibilities of fame, celebrities are increasingly keen to take control of their image. Eric Cantona, for example, attempted to register shirts marked "Cantona 7" and the catchphrase "Ooh Aah Cantona", and Damon Hill tried to register the image of himself wearing his helmet.

"What is worrying is that instead of being used for legitimate commercial purposes, this will be used as a means of censorship. For example, in the Wet Wet Wet case they didn't like what was inside the book," said Mr Fry. "What is interesting in Diana's case is that it has come now rather than during her life."

misuse of likeness, which extends beyond mere photographic images."

According to Robin Fry, media lawyer at Stephens Innocent, this is an ambitious interpretation of the law, and one which may well be challenged.

"It's a frightener. If people see that all things bearing this image bear trademark, and it's backed up by threats from lawyers a lot of people will capitulate. It's cheaper to buy a license and pay the 5 per cent to the fund."

Where does that leave photographers who might have compiled hundreds of their own images of the Princess? "They'd be able to use their own photographs for newspaper coverage, but it's possible that they would be blocked

Earl pays price to keep infidelities under wraps

Earl Spencer's eight-year marriage will end today with a quickie divorce. According to Ian Burrell, the £2m settlement was the price the Earl was prepared to pay for his wife's silence on 'marital confidences'.



Triangle: Countess Spencer, the Earl, and his mistress Chantal Collopy, who was ready to tell all

"It won't last," clucked some observers at St Mary's Church, near Althorp, when Charles Edward Maurice, the ninth Earl Spencer, pledged himself to a beautiful model. The couple had met only a few weeks earlier and Darius Guppy, who was later to be jailed for a bogus jewel robbery insurance scam, was the best man.

Sure enough, in a rubber-stamping ceremony today at court room number 17 at the Supreme Court in Cape Town, the Earl's marriage to Victoria Lockwood will be annulled.

It was September 1989 when Victoria Lockwood trailed limply beside Charles Althorp at their wedding. She looked utterly miserable and far from looking happy he looked sombre, as though he was carrying out another ancestral duty.

When, in an announcement from his bathtub, Lord Spencer first told his wife that he believed their relationship was scuppered, he can have had little idea that intimate details of the couple's problems would be relayed to the world's media.

That, to a degree, is what has happened during what was supposed to have been a hearing which would simply decide whether the couple's divorce should be heard in England or South Africa.

Instead, lawyers for Lady Spencer alleged that her husband had between 10 and 12 affairs while she was fighting to overcome drink and drug dependencies.

It could have been worse. The full story of Lord Spencer's alleged adultery would have emerged had the Countess been allowed to take the witness stand.

Yet after hours of discussions, the prospect of that scenario was dispelled by a settlement, announced in the early hours of yesterday morning and believed to include a £2m clean break pay-out.

Significantly, a pre-prepared statement said: "A fundamental term of the agreement is that we undertake to the courts of South Africa and England not to breach our marital confidences or to give further details of this settlement."

Yesterday the two legal teams met in chambers to sort out the final details.

Difficulties in drawing up the papers and sorting out bank details were understood to be behind the delay, which meant the divorce could not go through yesterday.

Lord Spencer, 33, wanted the divorce to be heard in South Africa but his wife wanted it in England where any settlement was likely to be higher.

She sought a £3.75m clean break settlement but her husband offered only a lump sum of £300,000 and other perks including a house in a smart suburb of Cape Town.

The family fortune is estimated at £100m but the Earl said most of his assets

were tied up with the Althorp family home in Northamptonshire.

Yesterday at Althorp, security was stepped up amid fears that intruders were trying to reach the grave of Diana, Princess of Wales.

The Earl's spokeswoman, Shelley-Anne Claircourt, said that a sophisticated security system was put in after two people tried to climb perimeter walls.

She said the incident occurred two months ago, more than a mile from the grave site, and the police were not involved.

Ms Claircourt added that the plans for a fence around Diana's island resting place were not introduced as a security measure. "They are decorative iron gates being put up in the vicinity of the island," she said.

Christmas Day

25

December

"Thanks ever so much for the jumper..."

Boxing Day

26

December

"No, really, I do like it, honest..."

New Year's Day

1

January

"So you're sure I don't need a receipt?"

Chat as long as you like over Christmas for just 50p.

CHAT
AS LONG
AS YOU LIKE
FOR 50p

If old acquaintance be forgot, then thank heavens for the Cable & Wireless offer on UK long distance calls. Whether you call Aunt Lorna on Christmas Day, Boxing Day, or New Year's Day, it doesn't matter how long it takes to catch up, it won't cost more than 50p. On these three days (as well as every Saturday and Sunday up to 31 December 1997), every UK long distance call will be charged at

the normal rate until it reaches 50p. After that, you can stay on the phone for as long as you like without paying a penny more.

This seasonal offer is just one of the many ways we can save you money on your calls every day of the week. So, for a Merry Christmas and a very prosperous New Year, see how much you could save with Cable & Wireless. FreeCall 0500 500 366 quoting RINDCL.



CABLE & WIRELESS
What can we do for you?

Including VAT @ 17.5%. Long distance refers to regional and national UK calls. Calls to non-geographic numbers (including mobiles) and calls made using the Cable & Wireless Calling Card do not qualify for this promotion. This offer is only available to SmartCall, UKCall and LocalCall customers. Service provisioning may take up to ten days. For quality of service purposes we may occasionally monitor or record your telephone calls with Cable & Wireless.

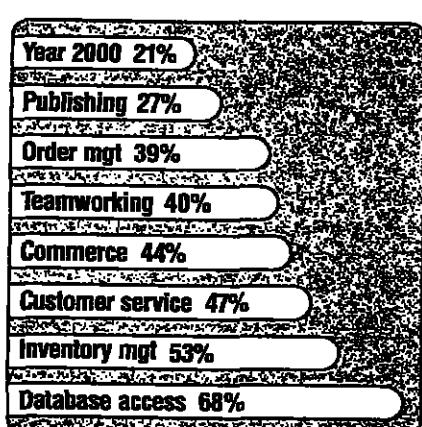
صوتك من الأهل

Let's get
our customers,
employees,
dealers and
suppliers
all connected.

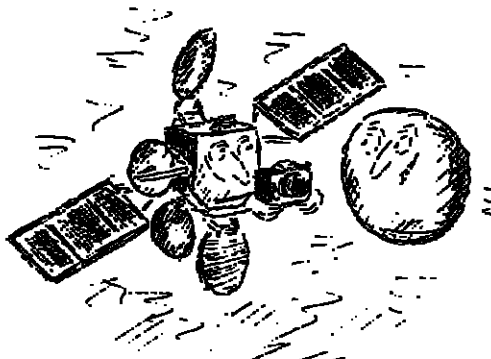
(See centre spread)



What price remote access?
The IBM Network Station is a tiny black box that looks great beside a superthin IBM monitor. And it's cheap to buy. But what's making it the darling of network managers and finance directors alike is the astonishing cost of ownership figures - up to 70% savings in the medium to long term.



An intranet makes good business sense. Here's what companies got back on their investment over the first year. (Source: Meta Group)



FACT

The same IBM RS/6000 server technology that gets people working together now gets planets working together. NASA put RS/6000 technology on board the Pathfinder mission to Mars. Having travelled 310 million miles at up to 75,000 mph and withstanding temperatures between zero and minus 55°C, it sent back images of the red planet that astonished our blue one.

e-business MADE THIS AD

Lotus Notes was used between New York and Paris to view initial layouts and photo selections. Copy was sent by e-mail to Stockholm and Copenhagen for translation into local country versions. Meanwhile copy was crafted into shape by the typographer in London, with versions zapping to and from Paris via ISDN until final approval. (This was not a stunt to prove a point, but everyday practice.)



With IBM e-business solutions, you can work long distance yet still be an intimate part of the team. Using Lotus Notes, a sales rep armed with a ThinkPad can access your company's most up-to-date information, pricing and stock availability before it becomes ancient history.

Business doesn't wcas w

With an extranet, you can link work teams from different companies to collaborate on a single project. The result is greatly improved communication, streamlined decision-making and drastically reduced cycle times. (Note: IBM recommends the use of a mouse rather than a lizard.)



LOTUS NOTES IS A TRADEMARK OF LOTUS DEVELOPMENT CORPORATION

You keep hearing about it and you wonder whether it could apply to your business.

e-business. Electronic business. Using the Internet to work together in new, and better ways.

The issues at stake feature on every company's agenda: increasing productivity, reducing cycle times, improving speed to market, saving on the cost of getting things done.

(A recent study showed that most companies run at only a fifth of their capacity.)

But what does it take to make a business five times more efficient? Is it possible?

IBM is helping make e-business work.

e-business is the future of working together.

Thousands of businesses are consulting IBM to move through the three levels of collaboration.

The first level, e-mail, is useful in connecting people for faster, fluid communication, but it only scratches the surface of how e-business systems can help people work together. *The second level* is an intranet. This private network allows your company to create an

intranets with the epithet "Plenty of Bang for the Buck" when £1 invested can reap £1.68 in value.)

The third level of collaboration, the most benefit-rich, is an extranet. This links the key players involved in your everyday business processes to achieve total collaboration: dealers, suppliers, business partners, customers. Everyone is connected.

Andersen Consulting calls it "the new supply chain". In this new model, the supplier senses the needs of the retailer and responds to them.

Once an order has been filled, the supplier continues to monitor the client's satisfaction and can suggest improvements on an ongoing basis. For both retailers and suppliers the advantages are significant.

We all work better when we all work together.

Using an IBM collaborative solution, people at Dayco Corporation worked out how to reduce the number of manufacturing processes from 48 to 25.

Other IBM customers have used collaborative solutions to dramatic effect. When General Motors started using electronic form processing to reach its

work as well without

@

e-business

informally collaborative environment without investing a lot of money.

When designing a corporate intranet, Lotus Notes is a shrewd choice of environment because, more than mere software, it's a platform that goes across other platforms.

This allows people to share documents, expertise or opinions anywhere in the world as easily as sharing them in the same room.

The investment that more than pays for itself.

A recent study by the Meta Group determined that corporate intranets had an average return-on-investment of 38%. Pretty good.

But the study found that passive intranets - the publishing-only variety - had only a 22% ROI. Those that provided collaborative capabilities had a 40% ROI. And those that gave people access to dynamic and up-to-the-minute information had a 68% ROI.

Therefore, the more interactive your Web site - the more "collaboration rich" - the better the payoff for your business.

(Little wonder then, that Business Week summed up

dealers, the cost of setting up a purchase order went from £35 to 10 pence. Here are three more examples.

Case Study 1: Gabetti, Italy's foremost property broker, uses an IBM intranet/Internet solution to forge a competitive edge. Property details are up-dated centrally and shared across a nationwide network. Customers have Web access to a 24 hour property catalogue.

Case Study 2: Coloplast, a leading Danish health care product manufacturer, is planning a secure zone for its Web site as a global forum for new product development. IBM based the site on Lotus Notes.

Case Study 3: Castrol International, as a sponsor of formula one racing, distributes high quality action photos to the world's press direct from trackside - via the Web. The solution, built by Agora, an IBM partner, uses Lotus Notes.

Join us: www.ibm.com/e-business

To keep up with the latest IBM e-business solutions, take a look and log on often.

Or call us on 0800 675 675, quoting 1111.

The future of your business starts here.

IBM

Solutions for a small planet

Pan, who and what art thou?



As JM Barrie's evergreen classic returns to the London stage, Paul Taylor wonders: is Peter Pan just a boy who wouldn't grow up or a perennial symbol of reproach to all parents for never being there when they're wanted?

The exact state of diplomatic relations between Never Land and the United Kingdom has always been unclear; but let us suppose, for the sake of argument, that Peter Pan, in his annual flights between the two, has now been ordered to carry identification papers. "Pan, who and what art thou?" puzzles Captain Hook just before the climactic skirmish in JM Barrie's classic play. "I'm youth, I'm joy. I'm a little bird that has broken out of the egg," crows the hero — an answer unlikely, you'd have thought, to cut much ice with the immigration authorities.

To the tidy, form-filling, bureaucratic mind, the alternative

descriptions would be equally unappetising. "The Boy Who Would Not Grow Up" is how the sub-title characterises Peter, ear-marking him as the pioneering patron saint of all those who make a career out of permanently arrested development. Wouldn't want many more of them in the country, now, would we?

And what kind of wet, dangerous talk is this, from a revealing programme note Barrie penned for the Paris premiere in 1908? "Perhaps he [Peter] was a little boy who died young, and this is how the author conceived his subsequent adventures. Perhaps he was a boy who was never born at all - a boy whom some people longed for, but who never came. It may be that those people hear him at the window more clearly than children do."

Barrie—who spent his childhood trying to be a substitute for his mother's favourite son (who had died young and become a "boy eternal") and who spent his childless adulthood

projecting his psychic needs on to an adoptive family of five boys – would be hard put, these days, to convince the authorities that Peter should not be confiscated at customs on the grounds of being a paedophile fantasy.

Yet, every Christmas, on scores of stages and in one of the most uplifting entries for a

the most uplifting eulogies for the hero ever written, the lights in the Darling nursery are dimmed, the windows rattle thrillingly and in flies what any rational mind would dub a most undesirable alien. Three hours later, at the end of this tragedy – and, despite all the fun, a tragedy it is, and of a peculiarly haunting and individual kind there will be audible sobbing, most of it coming, significantly, from the grown-ups. For if *Never Land* – with its pirates, mermaids, and redskins, its simultaneous seasons, and its whole air of being a parodic paste-up of previous children's adventure literature – is (in Barrie's words) "a map of a child's mind", the play itself constitutes


a kind of map against which each generation can measure the subsequent shifts in adult-child relations and in concepts of innocence. As with any great classic, the meaning of *Peter Pan* alters over time.

Opening at the National Theatre on 16 December is a revival of the John Caird/Trevor Nunn version that was such a huge and deserved hit for the RSC in its Nunn-run days back in the early 1980s. This is the adaptation of the play that, as one critic put it, "elevated [Pether Pan] from the ghetto of children's theatre into a national masterpiece". It reclaimed, so to speak, the Tights of Man. by

breaking the pantomimic "Principal Boy" tradition and assigning the eponymous role to a male actor (first Miles Anderson and then the brilliant Mark Rylance). It reflected Barrie's endless tinkering with his myth by interleaving the published play text of 1928 with bits from his other versions, including the 1911 novelisation and the (unfilmed) Paramount screen scenario he wrote for Charlie Chaplin.

And it brought Barrie on to the stage as a character, the mediator of his own creation. These changes converged and crystallised in a piercing sense of tragedy. In a pattern typical of Barrie's plays (eg *The Admirable Crichton* or *Mary Rose*) and of their great Shakespearean ancestor, *A Midsummer Night's Dream*, the mortals are, in the end, transported back from the magical to the real world, where sad but necessary adjustments to mundane conformity have to be made.

As the Darling children are joyously reunited with their parents, the Barrie character in the Nunn/Caird version makes sure we notice the unremarked spectre at this emotional feast, drawing words interpolated from the 1911 novelisation: "but there was none to see them except a strange boy who was staring in at the window. He had ecstasies innumerable that other children can never know; but he was looking through the window at the one joy from which he must be for ever barred". The "Boy Would Not Grow Up" is revealed as the boy who now could not grow up, even if he half-wished to and his behaviour and cyclical amnesia



begin to look like a rationalisation of this fact. The alternative to ageing, dullness, and death is registered as at once defiantly buccaneering and desperately bleak: to be marooned for eternity in an adventure playground.

It will be fascinating to see how this fine 1980s adaptation of a play from the start of the century comes across at its close, given that, in the decade and a half between the two productions, the agenda on children has somewhat shifted. This was abundantly clear in "The Runaway Mother", a recent article in the *New Yorker* in which a working mum, Stacy

With a working title, *Stacy Schiff*, uses a tendentious reading of children's literature in a painfully embarrassing attempt to assuage her semi-acknowledged guilt at consigning her child to carers. An air-conditioned breeze of almost conscious self-deception runs through this article about how nannies predominate over mothers in children's literature, and it was made all the sicker by the fact that it came out right at the kill of the Louise Woodward trial yet made no mention whatsoever of that case.

Ms Schiff's idea is that, notwithstanding all the pain on both sides, working mothers, in absenting themselves, liberate their children into experiences, adventures and ways of seeing they would never happen upon if constantly chaperoned by mum. "The [baby-] sitter represents the child's first brush with relativity," she writes, capturing the *New Yorker's* authentic note of guff tottering around on stylistic stilts.

Conveniently ignoring the fact that there is a rare breed of father who actually chooses to stay at home to look after his kids, Ms Schiff makes several crucial references to *Peter Pan*, a work in which the nanny-problem is solved by the novel

method of employing a Newfoundland dog. The most startling of these runs: "The absent mother has another secret, too - an awkward, half-realised one. For a few minutes every day, our value sears, precisely because, like the Darling children, we have selfishly skipped off 'like the most heartless things in the world'. We are not waiting at home for those unfeeling children to return from their exploits, as is the limp, much-maligned Mrs Darling, a woman who, JM Barrie tells us, 'had no proper spirit'.

So there we have it: the modern parent-child relation—a precise role-reversal of *Peter Pan*'s ending, where now it's the kids who hang round, awaiting their mother's arrival back from the truanting Never Land of work. Ms Schiff's entire argument is falsely based: it cites as proof of its insights what happens in classic children's literature, when the adventures therein are more often useful in showing how grown-ups have pictured children imaginatively compensating for parental neglect.

A raucously revisionist les-

ing who was in a vocal
phic ménage with Mummy Dar-
ling II. They were the oppressed
majority here, for everyone was
gay apart from the shrilly prej-
udiced Darling children and I,
for one, will never forget the fe-
male audience's shouts of "Give
her one!" when the actress
playing Peter bent solicitously
over the ailing Tinkerbell.

What Schiff's article recalls most strongly, though, is *Hook*. Steven Spielberg's unholy wonderful mess of a movie which is the example par excellence of using *Peter Pan* as the springboard for a middle-class guilt-trip. Instead of *Lost Boys*, it's lost fatherhood that is Spielberg's focus as he presents us with Robin Williams's repressed, workaholic parent who takes his job everywhere and is almost frightened of giving his kids quality time. Why? Because he's out of touch with the child inside in the most colossal mythic way imaginable. This suit of a guy is "in denial" that he is Peter Pan and once lived in Never Land. His children are kidnapped and carried off there by Dustin Hoffman's (an excellent Captain Hook [a guffawing cross between Terry Thomas and Basil Brush])

happy though that can make him airborne again is the fact that he is a father? This is wish-fulfillment of a breathtakingly naked kind and riddled with contradictions: it's a bit like presenting a stage version of Kafka's *Metamorphosis* in which waking up as a gigantic piece of vermin represents a dream-come-true for the protagonist. But you're somehow swept away by the director's obsessive, uncircumspect emotional investment in this fantasy. What was ET after all, but a Peter Pan from Outer Space?

Posing as superior to the *Peter Pan* myth and its variants is, indeed, a mug's game, as my own experience makes clear. Watching *Hook* again for the purposes of this article, I found myself irritatedly dismissing an interruption from our youngest child, who is five: "Florence, will you please go away, I'm trying to take notes." There's an irony: Robin Williams, *c'est moi*. But *Peter Pan* and its many spin-offs in all genres (there's fine mischievous use made of it in Beryl Bridgman's *An Awfully Big Adventure* and in the Off Broadway staging by geriatrics imagined in Muriel



Off to 'never say never' Never Land! Pan takes flight in Disney's *Fifties* cartoon; time runs out for Captain Hook in the jaws of the clockwork crocodile (for left); and Robin Williams finds the inner child within his corporate-suited self in Steven Spielberg's 1991 wish-fulfilment fantasy, *'Hook'* (below).

Photographs: © Disney, Mary Evans Picture Library, Foto Blitz

THE INDEPENDENT

At last a no fuss easy to use

MILK FROTHER

For perfect Cappuccinos, Lattes and Mochas every time.

Forget about machines and other expensive processors, this brilliant milk frother will give you perfect results every time.

ONLY £6.99
~~£11.99 p&p~~

So quick and easy to use you can produce a perfect creamy froth even from skimmed milk in less than a minute. Simply place your milk in the frother, pop it into your microwave for 20 seconds, remove and pump the plunger for a few seconds. It really is as simple as that. If you don't have a microwave then boil your milk in a saucepan, pour into the frother and follow the plunger process. If you love authentic cappuccino and wish to make it quickly then this is the perfect item for you especially at a price of only **£16.99 plus £1.99 p&p**.

Please send me..... MILK FROTHER(S) @ £16.99 each plus £1.99 p&p
The total value being: £
I enclose a crossed cheque (with my Address on the back)
made payable to: NEWSPAPER PUBLISHING IND681

My card number is

Address _____

 Postcode _____ Signature _____
 Send To: THE INDEPENDENT MILK BROTHERS COOP

Send to: THE INDEPENDENT MILK PROTEIN OFFER
325 London Road Westcote on Sea Essex SS0 7BX

☐ Please tick this box if you do not wish to receive future mailings from NEWSPAPER PUBLISHING PLC
or from companies approved by NEWSPAPER PUBLISHING PLC

IND681

Newspaper Publishing PLC Registered in England No. 1908652



bian adaptation of *Peter Pan* at the Drill Hall in 1992 seized on the fact that, while the children's father, Mr Darling, is present in Never Land in the dream-like proxy form of Captain Hook (indeed, the two characters are almost invariably played by the same actor), Mrs Darling is more or less completely marginalised. So this version shifted the bias in the opposite direction, with a Mummy Dar-

poses as the all-attentive father the little son never had, kitting the latter out as an identical Charles II miniature of himself.

The movie is a fascinating, hopelessly flawed, but funny and moving attempt to reconcile the irreconcilable. Peter Pan as an American adult who finds it hard to bond with the inner scamp or to turn off his mobile phone? Peter Pan as Corporate Man, who only rediscovers how

Spark's novel, *The Hothouse by the East River*) have a constant capacity to catch us off guard, which is why, like its weird, admirable, deeply unfortunate hero, the original play will remain for ever young.

The Nunn/Caird 'Peter Pan' begins previewing on Monday, opens Tue 16 Dec. Royal National Theatre, South Bank, London. SE1 (0171 928 2252)

Movers and shakers in the Bond market



When *'Tomorrow Never Dies'* opens next week 007 won't be the only one in for the kill. Designing clothes for the world's most stylish secret agent – and his enemies – can be a licence to sell, says Francesco Fearon.

You think you're watching action heroes, but you're really window shopping.

That's the conclusion that the likes of Armani and Cerruti and Hugo Boss have reached, and you know they can't be wrong. Armani has worked on more than 90 films, including *Batman* and *The Bodyguard*. Cerruti has notched up a similar number. Italian label Ermenegildo Zegna's latest credits are *The Devil's Advocate*, and Kenneth Branagh in *The Gingerbread Man*.

Ever since the first moving pictures were shown, films have proved to be the perfect forum for showing off fashion. With *James Bond* held captive for two

decades, every designer detail on a huge screen, it is surely the most profitable form of free advertising there is. The designers provide the clothes free, of course – and, of course, it's dead important that the folk see the label.

It was no accident that Armani launched his menswear collection in the US on the back of the success of *American Gigolo*. The timing was certainly right.

"In the Eighties men started to focus more on fitness and the right dose of vanity," says Giorgio Armani. "They tended to be more flexible in the way of clothing, and became less conservative and traditional."

Rocky IV propelled Hugo Boss into the US market. But now it's that James Bond moment again: *Tomorrow Never Dies* premieres next week. Enter the Italian bespoke tailor Brioni, with a licence to dress.

Bond has had a tricky sartorial history, and that's down to the different actors who have played the role over the years. The truth about Bond and clothes is the same as the truth about Bond himself. Sean Con-

nelly was the only one who was really the business. Roger Moore is remembered for his Seventies slacks, and Timothy Dalton for his complete lack of dress sense; Sean Connery's timeless Sixties tailoring is the

look best liked on Bond.

"It was simple, classic and partly period," explains the costume designer, Lindy Hemmings.

That is just the image she was seeking for Pierce Brosnan,

the first Bond since Connery to look and feel right: the first one really worth dressing (or undressing). "I wanted a look that Bond would have chosen for himself – slightly Savile Row – but would not make him

stand out in a crowd," she says. So Hemmings chose Brioni to kit out Bond, because the tailors of Savile Row did not have the capacity to produce within two weeks the 17 suits required, complete with special inside

pockets in which 007 could stash his Walther PPK.

Rather than impose a current season's look on her characters, which she believes would have dated the film, Hemmings has used clothes to define each personality. In *Tomorrow Never Dies*, Bond is classical; Jonathan Pryce as the villain, Carver, is modern and minimalist, wearing clothes adapted from Kenzo; and the henchman, Stamper, played by Gotz Otto, wears Oswald Boateng, which, says Hemmings, is "the reflection of a young, modern hard man."

At Christie's, South Kensington, you can buy suits straight off the screen if you've a few tens of thousands to spare. The navy suit Harrison Ford wears in *Airforce One* is one he bought off the rail from Cerruti and thought would fit the part. Cerruti then ran up 36 copies, to be worn by Ford and his stunt doubles in the film. Very few of them survived the rigours of filming, but one that did is being sold for between £1,800 and £2,200, complete with two bullet holes and imitation blood.

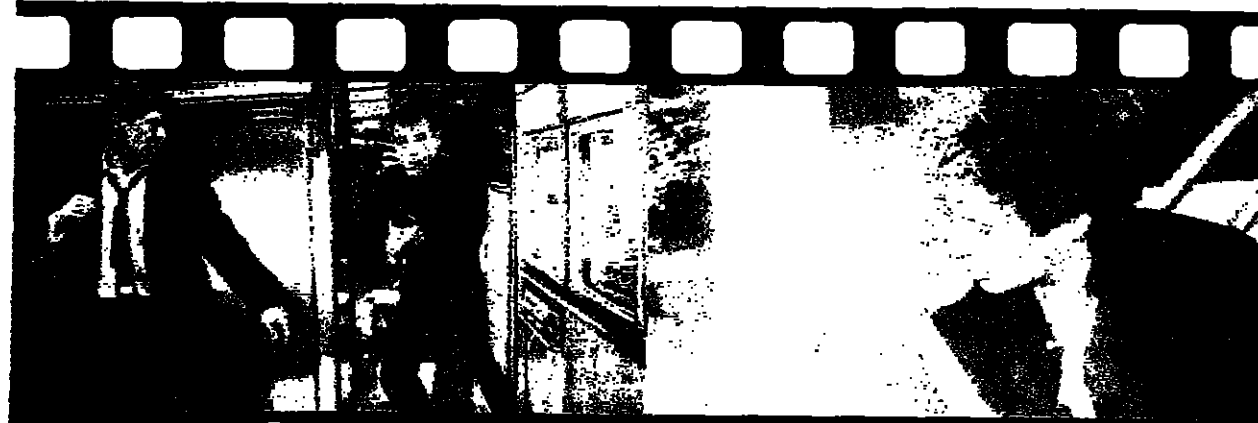
Alongside the Cerruti at Christie's will be a dress suit, a navy three-piece and a cream linen suit designed specially for Sean Connery in *Diamonds are Forever*, both estimated to sell for between £4,500 and £6,500, and a brown wool suit from *Thunderball*. The most sought-after item however, will be the black wool dinner suit with claret lapels and matching trousers, that was made for Sean Connery, again for 1971's *Diamonds are Forever*. The lowest bid expected for that is £6,000.

So if you hanker after a suit once worn by your hero, then, at last, if you have the spare cash, this is your opportunity to realise a Hollywood dream, bullet holes and all.

'Tomorrow Never Dies' premieres in London on 9 December, and goes on general release on 12 December.

Christie's Film and Entertainment Memorabilia sale will be held on 11 December at 85 Old Brompton Road, South Kensington, London SW7, from 2pm. Call 0171-581 7611 for further details, or 0171-321 3152 for a catalogue.

Above, from left: Pierce Brosnan as Bond in *'Tomorrow Never Dies'* wears made-to-measure Brioni suit with side vents, £2,000, from Beale & Inman, 131-133 New Bond Street, London W1 (0171-629-4723); co-star Jonathan Pryce wears black shirt and black stretch wool suit, all by Kenzo, about £430, from Selfridges and branches of Woodhouse (enquiries, 0171-235-4021); Gotz Otto wears made-to-measure suit in a wool/mohair mix, by Oswald Boateng. Ready-to-wear prices start at £895. 9, Vigo Street, London W1 (0171-734-6868)



Above: Harrison Ford in *'Airforce One'* wore Cerruti suit, £700 off the peg, to be sold at Christie's for an estimated £1,800 to £2,200; Richard Gere wore Armani for *'American Gigolo'*

BUY ME

Making Faces,
By Kevyn Aucoin
£25

Thank goodness for Kevyn Aucoin. He is the first make-up artist to do not only a readable book about applying make-up, but a sweet, endearing and understandable one too. It's almost too much.

In his introduction to *Making Faces*, which went straight to the top of the US non-fiction book chart last month, Aucoin says he hates the words "acceptable" and "normal". He also strongly believes there are no rules to applying make-up; we have to find our own way, just as he did.

Aucoin spent his childhood using his little sister, Carla, as a model. We see her aged four, eight, 10, 12 and 14, transformed by her brothers' deft hand. Today Aucoin is regarded as one of the best make-up artists in the world, despite his lack of formal training. Models swear by him, so do movie stars and Everywoman, which is no doubt why this new book has been so popular in the States. He shows us every kind of make-up technique in the book, and it is



The secret's in the make-up: Marilyn Monroe – or is it Lisa Marie Presley?

visually demonstrated on Julia Roberts, Gena Rowlands, Tina Turner, teenagers and even a transvestite, with "how to" pictures, text, and handy tips.

The single most important thing that comes across from this book is that make-up, applied correctly, is one of the most powerful tools a woman can have. He shows us Sandy, a fifty-something black woman, whom he turns from a Cleo Laine lookalike into Diana Ross. He shows us 44-year-old Catherine, whose severe look he softens, and in the process makes appear 10 years younger. He also demonstrates the power of a make-up as a transformer, with Drew Barrymore as a convincing Marlene Dietrich, and Isabella Rossellini as Barbara Streisand.

Basically, this is a make-up book for people who are scared of make-up, but don't want to be. Even I discovered the correct way to pluck my eyebrows.

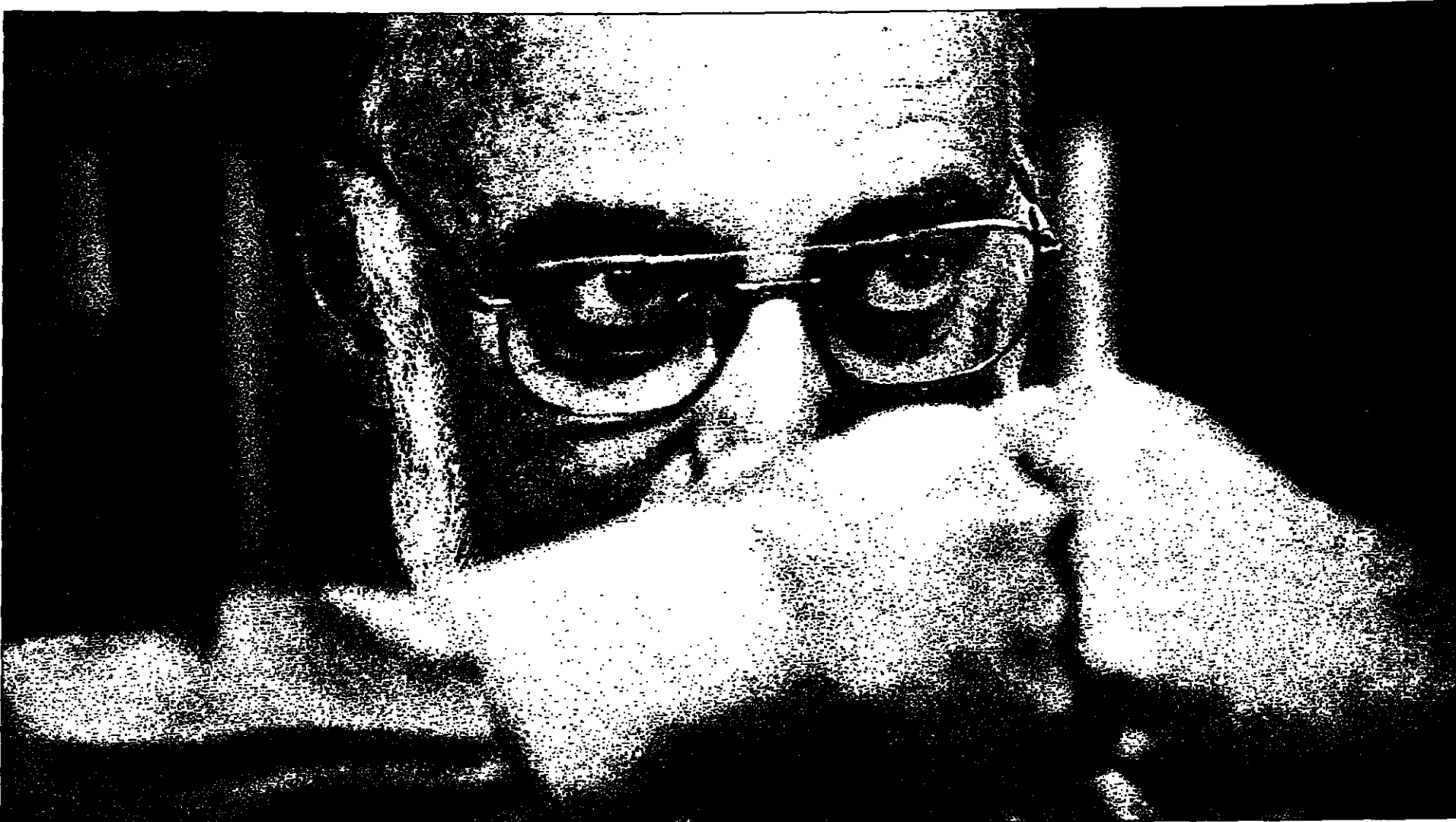
Melanie Rickey

The brightest
Christmas
ideas are found
at Ernest Jones.

Ernest Jones

THE DIAMOND AND WATCH SPECIALIST.
For your nearest store, call 0181 905 9000

Husband v wife: crossing the battle lines



Professor Gottman: 'The basic complaint we get from men is that they feel criticised by a wife who has an infinite list of unreasonable demands'

Photograph: Andrew Burman

Men are hopeless at talking about their feelings and incapable of facing emotional problems, and that's why so many marriages end in divorce, right? Not exactly, says Professor John Gottman.
Jack O'Sullivan listens.

Neanderthal man is a little out of fashion these days on American campuses, so it's not often that you hear an urbane American professor preaching his virtues. But John Gottman, professor of psychology at the University of Washington in Seattle, is getting very excited about *In Defence of the Cave Men*. It's currently running on Broadway and for the professor, fast becoming America's top marriage guru, the play is a great example of just how good men can be at relationships.

"There's this exchange," he explains, "where the wife says, 'How can you be friends with Harry. I don't understand the basis of the friendship.' 'Why?' says the husband. 'We've been friends for years.' 'But he's such a miser,' replies the wife. 'Such a penny pincher. It's so obnoxious.' 'Yeah,' says the husband. 'But he's my miser.'"

"In other words," explains the professor, "he is saying that he accepts all his friend's faults. It's like a shoe that you've broken in. It's comfortable because you like it and know it. He accepts his friend with all his faults and just appreciates what's positive about the relationship. Men are much better at that. Women are more idealistic, so in their relationships they work and work on problems and talk about their feelings and try to make the relationship work better and better."

In a way it's a strength because the female approach can make for improved relationships. But, says the professor, it can also lead to great disillusionment – and divorce.

This is not a perspective usually offered in the great debate about the massive rate of marriage breakdown. Discussion typically leads to a resounding chorus. Men are the real problem. It is a theme likely to echo today at a major conference on "The Chaos of Love", sponsored by One Plus One, the marriage research charity. After all, nearly three quarters of divorce proceedings are begun by women. And in existing marriages, there seems to be plenty of evidence that women are getting a raw deal. Little more than half of married women would choose the same spouse if they had a second chance. In contrast, nearly three quarters of guys would pick the same wife. The answer seems obvious. Men have to change. Everything, says the conventional wisdom, would be OK if only they became more like women, who, as the great emotional communicators, are assumed to have monopolised the skills required for successful wedlock.

For Professor Gottman, however, the issue is a little more complicated. In some ways, women need to become more like men if marriages are to succeed. He has spent two decades at his Washington "love lab", recording the interactions of couples in an effort to develop scientifically proven advice on how to make a marriage last. In one study he successfully predicted correctly 94 per cent of those who would be heading for divorce in three years' time. So he knows a thing or two about what makes a marriage thrive. At 55, bearded and sporting a skull cap, Professor Gottman

brings to a subject that is all too often the preserve of talk shows and women's magazines, the weighty consideration of a rational sage.

He traces the willingness of men to avoid conflict in imperfect relationships to their childhood experiences of games. "Have you ever noticed," he says in his book published today, "that boys don't let quarrels break up the all-important game? It's not that they don't get angry – boys quarrel all the time

certain level and the system floods with adrenaline. "If you had 20 men and 20 women in this room," says the professor, "and banged on the desk, you would find that the male heart rate goes up higher and stays up longer than the women's. So whereas men are more likely to say 'I need to cool down. I need a break. I need to stop talking about this,' women will keep wanting to talk out an issue and become very distraught. But it is healthier for men to withdraw

clearly superior to women in the interpersonal realm," he says, "is in the ability to play. In a close marital relationship, men are just better in the silly areas, in being aware of the absurdity of life, in their ability to laugh at themselves. Women are just much, much more serious. It is the guy who will throw the snowball at his wife as she is walking out of church. Women really like humour and appreciate it in men. And it really benefits children. The ability of a father to be a playmate turns out to be very important in helping children learn the ability to regulate their emotions. Fathers who are playful with their kids have children who get very excited, but are able to calm down. They have a much better relationship with other children – it's true of daughters as well as sons."

Professor Gottman's book by no means cheerleads for men in marriage. His research has not surprisingly identified the seismic rift in many marriages as being the inability of many men to communicate their feelings and emotions to women in an acceptable form, leading to dissatisfaction among women. Great frustration is also felt at male failure to engage with female complaints, by stonewalling and defensiveness.

Men and women, he concludes, are each prisoners of an evolutionary heritage ill-suited to successful modern marriage. "For men," says the professor, "the problem is our role of keeping vigilant, making sure everyone is safe. That is in some ways now a liability. It explains why after a marital conflict men are much more likely to be rehearsing thoughts that maintain distress. They are maintaining vigilance until they get a chance to retaliate." And it is just such vindictiveness that poisons relationships.

The woman's liability from evolution is a tendency towards enmeshment with those around her, once a means of securing safety for feeding and raising children. "So women are very quick to think of any issue at all, even if it is stress in the guy's life at work, as collective, their stress. The basic complaint we get from men is that they feel criticised by a wife who has an infinite list of unreasonable demands and that they would have to change their entire personality to keep their wives happy."

It's a depressing picture, I suggest, of men and women doomed by evolution to play out a conflict beyond their control and understanding. Is it possible for couples to find common ground?

Certainly, reassures the professor. "In the marriages that are working, women are softening their start up, when an argument begins. Instead of coming down like the Dambusters as they might with their girlfriends. Instead of saying: 'You're so cold and unemotional. You never pay attention to me,' they'll say, 'I have really been missing you lately. You're such a good kisser. Last Sunday when we were kissing in the kitchen, it was great. Can we do more of that?' And the guys who are making marriages work are accepting the influence of women on what they do. They are modifying their behaviour instead of withdrawing in the face of complaints. In other words, in people who are making their marriages work, we are seeing a meeting in the middle. We are seeing men and women taking the best from the female and the male models of friendship."

'Why Marriages Succeed or Fail – And How You Can Make Yours Last' by John Gottman, Bloomsbury, £9.99.

HOW TO ARGUE WITHOUT RUINING YOUR MARRIAGE

1. The magic 5 to 1 ratio: make sure there is five times as much positive feeling and interaction between you and your partner as there is negative
2. Remove blame from your comments
3. Say how you feel
4. Listen to your partner
5. Don't criticise or try to analyse your partner's personality
6. Don't insult, mock or use sarcasm
7. Be direct and stick with one situation, rather than dragging up the past
8. Learn how to calm yourself when floods of emotion block communication. Discuss how you can take a break
9. Try to think of your partner's good qualities – praise and admire them
10. Look at these principles again and again. It takes a long time to learn new habits.

on the ball field, arguing endlessly over the rules – but they just don't seem to attach the same importance that girls do to their arguments. In the most intense debates during boys' games, the final word is always to 'play it over'. The goal is to literally 'keep the ball in play', to not let the emotions rule."

But there is also a physiological factor behind male inclination to withdraw in instances of marital rows. Men find it very hard to relax again once their heart rates reach a

because they are taking care of their bodies. Women are very bad at knowing when they need a break." This explains why some women will stay in a relationship that is really harmful to them.

This then is one lesson that women can learn from men – that sometimes it is important to take time out when arguing, rather than pursue the matter relentlessly.

Are there any other virtues in the male model of friendship? "One way in which men are



BELOVED AND BONK Diary of a divorce

It's taken a long time but the horrible penny has finally dropped in the slot and the little notice has popped up in my brain: Beloved is not coming back. Not never no how. Even if I promise never to say f*** in front of the children again, or never to let anyone believe I actually finished my PhD or praise the *Daily Telegraph's* foreign news when I've never read it. No amount of bargaining with any unseen power is going to make any difference.

And it's beginning to feel OK. I have whole days now when Beloved and Bonk just slip my mind like a shopping list left in a coat pocket. Things are becoming normal again and I'm getting ridiculous amounts of pleasure out of it: the other evening I did the ironing in front of the telly with the remote on the ironing board so I could flip from fluff to fluff. It was the first time I'd watched TV since Beloved left. No thirteenth century peasant, straight off the time machine, could have derived more pleasure from it. The colours! The moving pictures! Wow!

Even taking the kids to school in the morning is a delight, now that I don't have to grit my teeth so as not to do involuntary banshee impersonations during our five mile trip. I feel released and relieved to such an extent that I operate a 15-minute disco and karaoke session. Once we're out of earshot of the parents whose kids I take to school with mine, in goes the tape and up goes the volume.

We're working in the four part harmony of Eternal Flame, knowing all the words to Counting Crows "Service of the Queen" and finding a way to do a reel to the "Wallbash Cannonball" while still wearing seat belts. Tooting down the lanes with the holly reflecting blue sky, the beech the colour of tangerine peel in the hedgerows and a back seat full of boogieing eight year olds is really living.

Joining in village social life is possible again too. For the first few months any event I went to I felt conspicuously single, like the grim reaper turning up at a wedding reception (he'd be kind of in-keeping at the church ... you know sitting in a pew at the back). But people have short memories when it comes to other folks lives, and Beloved is already fading in the communal psyche. Nobody even notices my singleness anymore.

On Saturday night I went to our village charity review in the Memorial Hall. An unplanned outing on my own; would I be left standing at the back like a bad smell? Not now – the place was packed with people I knew. I giggled, flirted and nattered my way to a seat next to some mates. Then I spent two hours screaming with laughter at the bagpipes that turned into a giant inflatable pig, the attempt at the world record unicycle jump, and various spoof versions of TV programmes and films, adjusted for a community where most people have to do something with a large domestic animal for a living. We had *Ready Steady Cook*, *Grease* and the *Full Monty* crossed with silage, dairy farming and the sexual opportunities offered by round bales. The sketches were punctuated with shy kids and game pensioners reading humorous poems that you couldn't always hear. It was packed with in jokes that no one outside the village would understand. And it was wonderful.

Now that I've stopped staring at my boots and weeping all the time I can look up and see why it is I live here. It's the little details: seeing deer on the way to the supermarket. All the kids in the playground waving when I drive past; knowing my neighbours' dogs' names, personalities and recent adventures; stopping the car in the middle of the lane to talk to a friend with our windows wound down. This is the stuff that makes you belong somewhere and it's sort of about feeling that you are a character in an on going soap.

I was always an *Emmerdale* girl, but try as he might Beloved always belonged to *EastEnders*. We're just both back in character.

Stevie Morgan

Acker



Worried about being a good parent? Relax, it's out of your hands

What makes children turn out like they do: is it genes, parents, sibling rivalry? The latest research suggests that none of these hold the key. So what does? Jerome Burne reports.

To smack or not to smack? Is divorce harmful? Should mothers work? Don't worry about it. It may not matter, because however dedicated (or otherwise) your parenting is, it doesn't have much influence on shaping children's personalities.

"If you took all the children from a group who went to school together," she says, "and switched their parents round, their adult personality would develop in just the same way – provided they stayed in the same school, lived in the same neighbourhood and remained part of the same cultural or subcultural group. The parent's influence is minimal."

Home, she says, is just one of several environments in which children have to learn how to behave. You can affect be-

haviour in the home, but that doesn't necessarily affect it in other situations. Plenty of children are difficult at home and helpful at school. "This makes evolutionary sense," says Harris. "The parental home is not where children are likely to spend their future. They are already genetically similar to their parents. Adopting all their habits as well would give them much less flexibility for adapting to changing conditions in the outside world."

Harris is far from a lone voice. Her book *The Nurture Assumption*, due to be published in the US next year, is based on an article in the *Psychological Review*, and won an award from the American Psychological Society.

"Psychologists often marvel that children turn out all right," she remarks, "despite great differences in the way parents treat them." Her theory is an attempt to explain why.

Over the last decade the idea that genetics influences behaviour has moved from being unmentionable in polite scientific circles to virtually a truism – violence, homosexuality and alcoholism are all recent candidates.

Take eating, for instance. What could be more obvious than the fact that children in a family where both parents over-eat and comfort themselves with food, will do the same? But no. Adopted children, who don't share the over-eating parents' genes, don't copy their behaviour.

The same goes for television watching. Adopted children in a house which goes in for heavy TV viewing won't also sit glued to the box, unless TV watching is something their biological parents also like to do.

But even most radical geneticists aren't claiming that we're pre-programmed. It's obvious that genes and environment work together. But how, then, do we explain how children from the same household can turn out so differently? The most imaginative attempt at an answer comes from Professor Plomin, of the Institute of Psychiatry in South London, with his theory of non-shared environments. If the effect of the family as a whole isn't the answer, he says, then maybe the crucial influence comes from the micro-environment that is unique to each child – that illness, that special teacher. Or the position in the family –

birth order. But literally thousands of studies haven't thrown up any evidence of clear patterns.

This is what triggered Harris's research and her theory of Group Socialisation (GS). "What I've found is that the lasting influence on children comes from the one group which is found with little variation in every society – the children's play group," she says.

Humans are essentially social animals: millions of years of evolution have designed us to be exquisitely responsive to the group. We know that groups instill a strong drive to conform. But the effect goes much deeper than being seen in the correct T-shirt.

A crucial piece of evidence suggesting that the children's group has a greater effect than the home comes from the study of language. One of Harris's supporters is the leading linguistics researcher Steven Pinker, author of the best-selling *The Language Instinct*.

"Research in my area throws up two strong bits of evidence in her favour," he says. "First, that children of immigrants pick up the accent of their peers – not their

parents, not their teacher, not television announcers. Secondly, children in a group will quickly develop their own language, if they don't start out with one."

If the simple nurture idea were right, you would expect parents to have a crucial effect on sex roles. But Professor John Archer, of the University of Central Lancashire, another Harris supporter, has found that they do not.

"Parents have tried for the last 20 years to raise boys and girls in much the same way," he points out. "Yet, as every school and every parent knows, boys and girls automatically split themselves into single sex groups from an early age." Then, once in the groups, they develop quite distinct patterns of behaviour, and it's these, rather than those of the parent, that children pick up.

An obvious line of criticism is to point out that there is absolutely nothing new in claiming that peer pressure influences the way children behave. However what is new about GS theory is that it says that the long-term influence of children's groups is far greater than that of the home, and that it starts much earlier than is gen-

erally recognised. It also makes a number of new and testable predictions about how it works.

For instance, take the findings that when parents divorce the children's behaviour often deteriorates. To begin with, the children have probably inherited the conflict-prone personalities of the parents – divorce runs in families – but, more to the point, divorce messes up their position in the group. "Many of them move house, which means they lose their place in the local hierarchy and have to work to be accepted into a new group," says Harris. "They may well move to a poorer neighbourhood, and so have to deal with a group with different norms. The result is problem behaviour."

So does it matter how parents behave towards their children? Are regular cuddles really no more influential than cool indifference?

"Well, if you are cruel or indifferent it won't ruin your child's personality," says Harris. "but it can certainly ruin your relationship with him or her. If you want your kids to like you when they are grown up, you'd better be nice to them now."

صوتنا من الامم

To some, Mr Blunkett, it may now seem an exclusion zone



EDITOR: ANDREW MARR
DEPUTY EDITOR: COLIN HUGHES
ADDRESS: 1 CANADA SQUARE,
CANARY WHARF,
LONDON E14 5DL
TELEPHONE: 0171 293 2000
OR 0171 345 2000
FAX: 0171 293 2435
OR 0171 345 2435

Applications to universities for entry in 1998 look as if they are down 10 per cent on this year. It is hardly a dramatic fall, but the numbers are striking because we have become used to the idea of higher education as a growth industry. And that is what it should be. Thanks – let us not forget – to Tory-engineered expansion, mass higher education is with us. University growth, even in the low-cost version provided by the former polytechnics, is a potent sign that society is improving and individuals are bettering themselves. The objective case for studying beyond 18 remains as strong as ever. A university degree does not just earn its holder more money; acquiring one brings with it a liberal, more tolerant outlook on life. Evidence of backsliding is thus disturbing and unwelcome.

If we give David Blunkett the benefit of the doubt, the obvious reasons for the drop – the introduction of tuition fees and the abolition of grants – look less than convincing. Students from poor backgrounds

are exempt from paying the tuition fee being introduced next autumn; many others will not have to pay the stipulated £1,000 contribution. Grants for living expenses are on their way out under Tory plans; all Labour has done is accelerate the process, while providing universal access to low-interest loans. Students will enter employment with a debt burden, true, but it will be only a fraction of the mortgage debt with which young people happily saddle themselves. The debt will moreover be repayable on generous terms, and apply only to those actually earning.

All in all, Mr Blunkett might say, this reform represents a long overdue rebalancing of the interests of state, society and individuals in the benefits of higher education. And, by the way, parents do well out of the new deal, because they are no longer expected to make a contribution to their offspring's living expenses.

But Mr Blunkett has a problem in that 17- and 18-year-olds are not giving him the benefit of the doubt. The Government, for

all its vaunted ability to spin golden messages favourable to its cause, seems to have lost its touch in higher education. For political reasons, it was decided in the summer to get the political pain over quickly and announce, hard on the heels of the Dearing report, that the dispensation would apply at once to those intending to enter university in 1998, who would be applying this autumn. There was nothing wrong with moving with speed, providing the Government was prepared to make the effort to keep parents, professors, teachers and pupils/students well-informed.

But the handling was cack-handed then, and continues to be so now. The first indication of incompetence was that the department forgot about students who would be deferring their applications in order to spend a "gap year" between school and university. The second was that Baroness Blackstone tried to pretend it didn't matter. Then the Government allowed the National Union of Students to start winning the propaganda war,

spreading alarm among prospective students. Ministers have been too defensive, unable to reach out, assuage fears and explain.

For students to make a rational calculation that their best interests lie in getting a job rather than undertaking further study is one thing – a tempting decision in those areas where unemployment continues to fall, temporarily at least. It is another for potential students to shy away from an enriching experience on the basis of unwarranted fears. But what if the fall in enrolments shows that students on the margins, notably those from ethnic-minority homes and working-class young women, do genuinely believe the changed arrangements for grants tips the balance for them? Mr Blunkett has some explaining to do if the abolition of grants in 1999 is acting as a disincentive, especially since that was predicted in Sir Ron Dearing's report. It remains anomalous that tuition fees are means-tested while rules for maintenance loans apply uniformly to

students from rich and poor homes.

It is, of course, still only December. Some would-be students are holding their fire. Some universities are going to be hit hard by the applications shortfall – their finances depend heavily on student numbers – and will be scrambling to attract enrolments. The enrolments season, supposed to end in a fortnight, will last until Easter at least. It is thus too soon to pronounce definitively on the implications of the numbers. But is not too soon for Mr Blunkett and his colleagues to give serious thought to the subject of social exclusion, and to find and publicise ways in which, sticking with the principles of their reform, access to higher education for students from less well-off homes might be maintained. We need not only to improve our ability to pay for higher education, but also to continue increasing the numbers taking part. Both are possible, but only if the Government carries students enthusiastically along, however rich or poor their parents.

Post letters to Letters to the Editor
and include a daytime telephone number.
Fax 0171 293 2056; e-mail: letters@independent.co.uk
E-mail correspondents are asked to give a postal address.
Letters may be edited for length and clarity.

LETTERS

Museum charges

Sir: Any government that tolerates *de facto*, through the erosion of museum funding (leading article, 1 December), the imposition of entry charges, should be aware that it invites direct comparison with its 18th and 19th-century predecessors. It proposes to rewrite the will of those idealistic and public-spirited earlier generations, expressed in the principle of free public access, in the name of our present society that prides itself on its more democratic principles.

The high reputation of British art internationally follows a period of over 200 years of free admission to some of the world's greatest collections – not for leisure or recreation but for real study, often of individual works, in concentrated short visits.

All artists can testify passionately to the importance of these encounters. They give contemporary visual culture here a particular and subtle aesthetic awareness. How could any government, without shame, allow this inheritance to be lost?

CHRISTOPHER LE BRUN;
RICHARD DEACON; RITA DONAGH; ANTONY GORMLEY; MAGGI HAMBLING; RICHARD HAMILTON; PATRICK HERON; DAVID HOCKNEY; ALLEN JONES; ANISH KAPOOR; R B KITAI;
RICHARD PATTERSON;
FIONA RAE; PAULA REGO;
BRIDGET RILEY; EUAN UGLOW; BILL WOODROW
London SE5

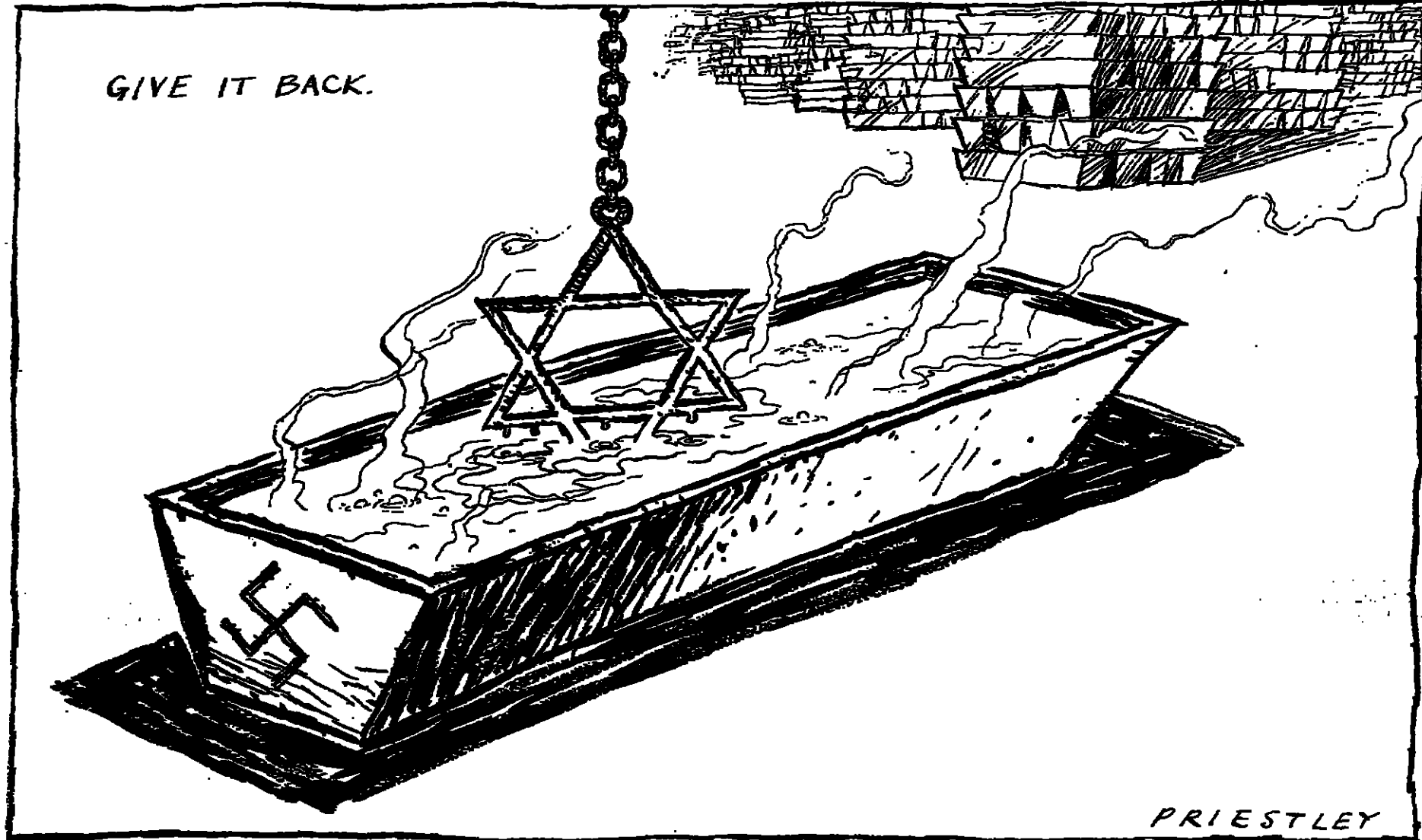
Immigration

Sir: The coverage of the influx of Roman refugees has highlighted the suspicious tenor of the British response to claims of asylum. Implicit in the negative tone of the national debate on immigration is an extremely primitive view of the economic effects of any population movement into this country. It is assumed that migrants are parasites; that they are unassimilable; that they are, in fact, thieves who have roamed in order to "steal our benefits". These myths should be dissected and examined critically.

It is true that in areas where immigrants are initially concentrated, housing and welfare resources can be strained. However, such expenditures should be regarded as an investment. Immigrant communities tend to be relatively young; the more mobile are usually the better educated; and the dynamic psychology of building a new life contributes towards entrepreneurialism and a stronger work-ethic. I do not claim that these generalisations are invariable, merely that they are true often enough to make immigration a net contributor to economic growth.

Setting aside the question of our duty towards the persecuted, the time has come for a coherent national policy to be formulated on economic immigration. We face structural problems of an ageing population, skill shortages and the stagnation of certain regions. A properly worked out quota strategy would go a long way in helping to ameliorate some of these (and other) problems. A Royal Commission on Immigration would be an appropriate first step.

JOE BORD
Balliol College, Oxford



Sir: It may be laudable to prosecute agents who abet and often abuse illegal immigrants ("Gangs move into people smuggling", 27 November). But genuine asylum seekers also use, and sometimes require, the services of agents, who may provide the only way for the asylum seeker to flee to safety.

This is a problem caused in part by the UK government. During the last several years the Government has enforced carrier liability fines against airlines and more recently ferry companies for transporting undocumented asylum seekers and economic migrants here; it has imposed visa restrictions, making it more difficult for asylum seekers to travel legally to the UK; and it has detained thousands of asylum seekers who arrive here with false travel documents. An agent, no matter how unsavoury, may be the only option available under these measures created by the Home Office to deter asylum seekers.

We should also remember that had not illegal agents and false documents existed prior to and during the Second World War, today's Jewish diaspora would hardly exist.

SHERMAN CARROLL
Director of Public Affairs
Medical Foundation for the Care of Victims of Torture
London NW3

Sir: Guy Carless (letter, 26 November) and the Rev Peter Hawkins (letter, 27 November) are both wrong. The "US" couple who have moved to Colchester are in fact a German citizen and his American wife. As an EU citizen, he has every right to settle in Colchester with his family, just as we could settle in, say, Bochum, in Germany.

For the record, the single largest group of would-be immigrants/visitors who are declined entry at Heathrow airport are US citizens.

ROBIN BHALLA
London NW2

Sir: You report (2 December) that a public inquiry is to be constituted into the BSE crisis. Apparently "a senior figure will be appointed to head the inquiry and it is likely to have similar powers as the Scott Inquiry into the arms to Iraq affair".

As solicitor representing the families who have lost members to new variant CJD, may I suggest the following potential shortcomings in the planned inquiry?

1. The inquiry needs to be headed by a senior judge. The task of reviewing the documentation from a sceptical view point must fall to someone whose experience of objective enquiry will not be in doubt. A senior civil servant or political figure would not necessarily satisfy this need.

2. The Scott Inquiry was constituted on an *ad hoc* basis without powers of subpoena of either people or documents. The BSE inquiry should be constituted under the terms of the Tribunals of Inquiry (Evidence) Act 1921 so as to confer those powers, particularly since there is likely to be a need to seek discovery of some papers from non-governmental sources. The Scott Inquiry was delayed at least in part because it had to rely upon the agreement of government departments to disclose papers thought to be material.

3. The Scott Inquiry did not take evidence on oath; as a consequence a great deal of time was taken in allowing those who had given evidence to review what had been said before the inquiry reached its final conclusions. The BSE inquiry will need to review evidence from many people, some of whom, by virtue of their employment, will not wish to volunteer to give evidence, but whose contribution nevertheless will be critical to a proper understanding of the way in which BSE arose and the way it was dealt with. The 1921 Act provides for the taking of evidence on oath in the same way that evidence in contested litigation would be taken on oath.

The Royal Commission on Tribunals of Inquiry in 1966 urged that the inquisitorial machinery in the 1921 Act be confined to matters of vital public importance concerning which there was something in the nature of a nationwide crisis of confidence. The BSE crisis must surely satisfy this criterion.

D I B BODY
Irwin Mitchell Solicitors
Sheffield

Lenin: late but great

Sir: You report that "seventy years ago this month, Lenin banned commercial advertising" (report, 28 November). Not bad for a chap who had been dead three and a half years. It is a pity New Labour cannot muster the same vigour when dealing with tobacco advertising.

R MARSDEN
Leicester

Urban millennium

Sir: The debate raging between the Tongan government, Millennium Adventure Company and the Republic of Kiribati is a lot of hot air about nothing (report, 28 November; letter, 1 December) – who cares which lump of desolate rock sees the first millennium sunrise?

The dawn of the new millennium is a celebration of humanity and citizenship of the world community. Surely attention should be focused on the first substantial group of people to experience day one of the new millennium, Gisborne in New Zealand has been officially designated, by the Meridian Society, the first city to experience the millennium dawn – there can be no quibbles about this.

PAUL JARMAN
Hove, East Sussex

Sir: So South Sea islands are fighting for first place in the millennial dawn. Anyone really wanting to be the first to see the sun that day should of course head for Antarctica, where it will be shining over most of the continent at midnight.

LIONEL PRICE
St Albans,
Hertfordshire

Principled licking

Sir: British postage stamps and most envelopes are gummed with adhesives of plant origin; therefore licking them does not conflict with the principles of religious and vegetarian communities (letter, 29 November).

The assurances don't extend to materials used in the preparation and printing of the stamp. We continue research into likely alternatives from the plant world to replace sizes and gelling agents derived from milk, eggs, and products from renderers and fellmongers.

ALAN LONG
Vegetarian Economy and Green Alliance
Greenford, Middlesex

Sir: *Independent* readers will be hungry to know that stamp glue is not made from animals. The glue is actually made from polyvinyl alcohol.

GILES FINNEMORE
Stamps Advertising Manager
Royal Mail
London EC2

another pr

What have we here? An unmissable opportunity to join the Millennium Hall of Infamy



MILES KINGDON

As far as fame goes, I am happy to have remained in the shallow end of public recognition, down among the paddlers and the non-swimmers, where the worst that can happen to you is to get occasional letters from charities who are putting fund-raising books together ("We would be tremendously grateful if you could let us know your favourite recipe/dream/travel story/childhood memory. We have already had contributions from Jeffrey Archer/Edwina Currie/Gyles Brandreth ...").

Which is why I was slightly startled to receive a letter this week which began thus:

"Dear Mr Kingdon. It is indeed a great pleasure to enclose your invitation to be a distin-

guished biographee of the MILLENNIUM HALL OF FAME which will showcase the lives of men and women who have made this century great. The volume will be published in mid-1998. The Governing Board of Editors has nominated several hundred individuals from its vast international *Who's Who* archives to be featured in this history-making event. Congratulations on your nomination."

As you can imagine, my cheeks went a gentle hunting pink and my eyes stole shyly to the top of the letter to see who could possibly be such a misjudge of character. It was the dear old American Biographical Institute.

No, I don't know, either. But

apparently they have been publishing biographical reference works since 1967, and they live in Raleigh, North Carolina, and they think so highly of their forthcoming book (THE MILLENNIUM HALL OF FAME) that they would like me to have a copy.

Well, to buy a copy. "As a nominee for the MILLENNIUM HALL OF FAME you have the option of reserving a copy of the volume for your own personal library. Your biography will be compiled by our Senior Editor who will mail you a proof of your life's story prior to the publication's release ... It is certain to be one of the most sought-after reference works of the past one hundred years."

And that is not all.

"Biographees are also eligible for the MILLENNIUM Statue appropriately honoring those invited to be a part of posterity. A beautiful HALL OF FAME TESTIMONIAL PLAQUE is available as well. I have put together a special package option, a green leaflet illustrating the Hall of Fame Statue – which looks exactly like a gravestone with one's name on – and giving me more details of the book, or rather of ... this everlasting, interesting and motivating volume on global

bookshelves ... in which you can document the legacy of your accomplishments – at least one page, if not more, will be dedicated to you and your portrait as well as your philosophies."

The letter ends, before giving details of payment, "I would like to thank you, on behalf of the Institute, for your many contributions to humankind," which convinces me, if I didn't know it before, that they have got the wrong man. But I can also feel a thank you letter forming in my mind. It goes something like this,

"Dear ABI. Tempted though I am to order your Statue at only US\$375, or indeed the Hall of Fame volume itself, which I note is also

US\$375. I feel you should know that the philosophies which I have evolved during this great century would not make me feel worthy of inclusion in the MILLENNIUM HALL OF FAME."

"First, I note that you intend to include only living people, and thus to exclude such great figures as Einstein, Lenin and Stéphane Grappelli. Why invite me, and not them? Could it be that I am alive, and thus able to send you money, while more famous people, no matter how revered their achievements, are dead and thus unable to make you richer?"

"Secondly, I feel it is unwise for me to put money in the hands of people who habitually use the words 'biographee', 'inductee' and 'honoree'.

"Thirdly, I do not wish to join posterity until I am dead."

"Fourthly, I do not wish my biography to be written by your Senior Editor. I want it to be written either by Michael Holroyd or, failing that, by *The Independent's* Obituary Department."

"Fifthly, the only decent portrait I have of myself, I sent about two years ago to a glossy magazine which wanted a black and white mugshot to go with an article, and they haven't sent it back yet."

"If this response disappoints you, may I suggest that you get in touch instead with Jeffrey Archer, Edwina Currie and Gyles Brandreth? I enclose their addresses."

Yours sincerely ..."

Religion in the Middle East: the fundamental problem

ROBERT
FISK
THE ROCK
OF BELIEF

After the recent tourist massacre at Luxor, the Western press blamed the usual suspects. "Islamic madness," *Paris Match* called the killings, without putting inverted commas around the word "Islamic", while going on to describe the murderers as "Allah's lunatics". Not long ago, it was *Time* magazine whose cover story on the New York bombings was headlined "Islamic terror" - as if one of the world's great religions specifically sanctioned attacks on the World Trade Centre.

When a Jewish settler - an officer in the Israeli army reserve called Baruch Goldstein - burst into a Hebron mosque in 1994 and massacred 29 Muslims there were no headlines about "Jewish madness". Goldstein, presented by his friends as a homely Jewish doctor who had become enraged by Arab "terror", was referred to as "deranged" and a "fanatic". At no point was his religion connected to his act. Similarly the Christian Phalangists who slaughtered up to 2,000 Palestinian civilians - most of them Muslims - in the Sabra and Chatila camps in Beirut in 1982. This particular bloodbath was not called "Christian madness", nor were its perpetrators described as "Christ's lunatics" - even though many had pictures of the Virgin Mary taped to their gun-buts. No, the 1982 massacre was portrayed as Arabs killing Arabs, or - in the infamous words of Israeli prime minister Menachem Begin, whose Israeli soldiers had surrounded the camps and were watching the killings - "goyim killing goyim".

There's a double standard at work here, of course. But also a desire to avoid confronting a very frightening phenomenon, one that we desperately hope - and, if we have faith in any god, pray - is not true: that the bloodshed visited upon the innocent in the Middle East may not be the result of religion used as a cynical tool for a political aim, but may spring instead from the religion itself. What we do not want to think about in the region - what we cannot accept - is that the three great eastern religions of Islam, Christianity and Judaism may themselves bear some responsibility for the atrocities committed in their name.

It is an odd and disturbing fact that adherents of these faiths often seem more liberal

the further they are from their holiest cities of Jerusalem and Mecca. The English vicar, the liberal rabbi in London, the Muslim sheikh in Birmingham are folk we enjoy meeting. But the moment we encounter the Christian right-wing pilgrims to Jerusalem, the Jewish supporters of Eretz Israel in the West Bank, or the Saudi religious police in Mecca with their absolute belief in Islamic *sharia* law (obligingly passed on to their chums in the Taliban in Afghanistan), the less attractive these religions become.

I noticed this in Beirut back in 1990 when Lebanon's Christian rebel general Michel Aoun had launched a hopeless "war of liberation" against the Syrians. The Pope began praying for the Maronite Catholics of Lebanon and Cardinal John O'Connor of New York arrived to offer his condolences to the Maronites - but not to the Muslim families who had suffered under Aoun's shellfire. Aoun - now exiled in Paris - was a messianic figure who banned opposition newspapers from his area of Beirut and ordered the midnight arrest of army officers; but around the doors of his bunker above Beirut there fluttered many a cape of Vatican purple.

Of course, every religion has its real eccentrics. One of my favourites is Father Neil Horan of London, a priest who regularly writes to me to explain why his reading of the Bible has convinced him that a nuclear world war will start over the possession of Jerusalem - a "war of Armageddon, the war to end all wars" - during which Jesus will return to earth and become chief of staff of the Israeli army. After this, according to a map Mr Horan has sent me, Israel will occupy the entire Gulf (including Saudi Arabia), the Egyptian Sinai, half of Iraq, three quarters of Syria and all of Lebanon.

Mr Horan states that the Jews' claim to Jerusalem is the only valid one and that traditional Muslim beliefs about the Bible are "false and malicious". These ramblings may be harmless enough; less so, however, when the Jews' right to all of Jerusalem is supported by tens of thousands of armed settlers living illegally on occupied Arab land and by members of the Israeli cabinet. And the American Christian right - both feared and respected by US presidential candidates - took a full-page advertisement in the *New York Times* last spring to urge Christian support for Israel's claim to all of Jerusalem, even though such a demand struck a dagger at the heart of the so-called "peace process".

Prominent among the names on that advertisement was Pat Robertson, the US evangelist whose friends used to give financial support to a Christian fundamentalist radio station in southern Lebanon which not only proselytised hopelessly among Shiite Muslims, but carried regular threats against the local Muslim villages of Lebanon.



Religions in conflict: a soldier stands guard on a Jerusalem rooftop. Below, a visitor pays homage at the tomb of Baruch Goldstein

Main photograph: Rick Bowmer/AP

He certainly has opposite numbers in the Muslim faith. For years, the Saudis would pour money into fundamentalist Islamic movements across the Arab world. The Saudis gave money to the Islamic Salvation Front in Algeria (before it was

sheikh of Al Azhar, the ancient Islamic university in Cairo, reproached the Luxor killers of the *Gema'a Islamiyyah* (Islamic Group) last week. But he was almost alone in doing so. When last March, another Egyptian Muslim extremist group -

Yet it is not much different to the words of a pamphlet delivered to the door of a Muslim reader of *The Independent* who - quite correctly - handed it at once to the police. It was sent in the name of Kahane Chai (Kahane Lives), named after Meir Kahane, the fanatically racist American rabbi with an arrest record for conspiring to manufacture explosives, who was murdered by an Arab in New York in 1990. The pamphlet promised an Israel that would stretch "from the borders of Russia to the River Nile" and warned the Muslim recipient that if he and his family and other Muslims resisted Israel and refused to make peace on Israel's terms, they would be treated like the victims of the massacre at Qana - when more than a hundred Muslim refugees were slaughtered by Israeli army artillery fire in a UN camp in southern Lebanon last year. "Muslims, your lives are [to] ours like the sheep to the butcher," it said.

One of Meir Kahane's most ferocious supporters was Baruch Goldstein - or "Dr" Baruch Goldstein as I was told to call him by a pro-Israeli *Independent* reader who insisted he could never be defined as a "terrorist" - who killed the 29 Palestinian worshippers in the Hebron mosque. The tomb of this mass-murderer is now a shrine

in the nearest Jewish settlement to Hebron, a place of pilgrimage for thousands of right-wing Israeli Jews.

The climate still exists, of course. In Washington, Muslim murderers remain "terrorists": Jewish and Christian murderers of the Middle East are not "terrorists". One of the bravest men to raise these double standards is Dr Israel Shahak, author and retired professor of organic chemistry at the Hebrew university in Jerusalem, whose examination of Jewish religious fundamentalism is invaluable. In his new book *Jewish History, Jewish Religion*, he concludes that "there can no longer be any doubt that the most horrifying acts of oppression in the West Bank are motivated by Jewish religious fanaticism." He quotes from an official exhortation to religious Jewish soldiers about the Gentiles, published by the Israeli army's Central Region Command in which the chief chaplain writes: "When our forces come across civilians during a war or in hot pursuit or a raid, so long as there is no certainty that those civilians are incapable of harming our forces, then according to the *Halakhah* (the legal system of classical Judaism) they may and even should be killed ... In no circumstances should an Arab be trusted, even if he makes an impression of being civilised ... In war, when our

forces storm the enemy, they are allowed and even enjoined by the *Halakhah* to kill even good civilians, that is, civilians who are ostensibly good."

This disgusting advice may not, of course, be heeded. Nor may the frightful appeals of Algerian "Islamist" groups. We can comfort ourselves by concluding that every religion has its extremists, that fundamentalism is an aberration rather than the logical result of any literalist reading of the Middle East's holy books. Is there a problem because there is no New Testament for two of these religions - no message of "turning the other cheek"? Or because there was no renaissance in the Middle East? It would be pleasant to draw some coherent explanation.

Alas, I fear there may not be one. Religion is about ultimate truth and faith. And those who believe in such total truths - to the extinction of other, invalid "truths" - live

near their holy cities. Fundamentalists, after all, help rule Saudi Arabia, Iran, Afghanistan Sudan and - given the make-up of Benjamin Netanyahu's cabinet - Israel as well. The Egyptian government has co-opted fundamentalist preachers. The Christian fundamentalist right in America exerts its baleful influence over the Middle East. And when an Arab scholar last year asked the Pope to apologise for the Crusades - the greatest act of ethnic cleansing and barbarism in the Middle East in a thousand years - he received only silence by way of reply.

Are extremists - the killers and the racists or the eccentrics - mere defects in the world of religion? Or are they an inevitable part of it in the Middle East? I fear the latter. Perhaps it is time we recognised this poison for what it is. For there is nothing so hard as the rock of belief. And nothing so potentially cruel.



banned in 1992), to the Arabs who fought in Afghanistan - some of whom now constitute the core of "Islamist" violence against the north African regimes - and to the totalitarian, sexist and brutal Taliban.

It remains the case that few Islamic scholars have tried - or dared - to condemn the most barbarous acts supposedly carried out in Islam's name. The number of Muslim preachers who have passed sentence against the butchers of Algeria's villages is pitifully few. The

"Jihad Movement - Vanguards of Conquest" - called for a holy war, following the slaughter of Israeli schoolgirls by a Jordanian soldier, their appeal was couched in the most frightful and racist terms. "The only path to regain [Muslims] rights [in Jerusalem]," it said, "is the path of sacrifice - the path taken by the Jordanian soldier who emptied his machine gun into the breasts of the grandchildren of monkeys and pigs." Not a single Muslim prelate commented on this vile statement.

Just another product that doesn't match the packaging

"Annual income £20; annual expenditure £19, 19 shillings and sixpence: result: happiness. Annual income £20; annual expenditure £20 and sixpence: result: misery."

Our present period, with its vigour and its uncertainties, in so many ways is coming to resemble the Victorian age. So Mr Micawber's golden rule above becomes more and more relevant. We have to get people - all people, not just the rich - to save more.

Like then we are in a period of very rapid economic change, with a host of new inventions and services hitting the market, and new businesses springing up to meet new perceived needs. People with professional, business or craft skills are doing very well. On the other hand, job security has largely disappeared, and family structure is under strain - through the reason that marriages don't last now is divorce, rather than the death of a spouse.

This combination of uncertainty and vigour makes it more necessary for people to build up a cushion of savings, and also more possible to do so. If the welfare state cannot be relied up to support people comfortably 20 or 30 years from now - and adverse demography alone would put great pressure on any pay-as-you-go welfare system, however well-designed - at least people's savings are not

whittled away by savage inflation.

The trouble is that though one half of the country is building up a sizeable cushion of savings through pension plans and home ownership as well as all the other incentives introduced in the last 15 years such as Peps and Tessas, the other half is not.

That is the claimed logic behind the new tax-free Individual Savings Accounts, details of which were outlined yesterday by Geoffrey Robinson, the paymaster-general: extend the savings habit to all - to the people who do not even have bank accounts - rather than confine it to the relatively sophisticated people who are currently building up their nest-eggs.

The principle certainly deserves a welcome. The idea of an ISA is modelled on the US Individual Retirement Account - they had to change the initials for obvious reasons - so there is quite a lot of experience around of this sort of plan. This is not really pioneering stuff: it is simply applying good international practice to the UK. The idea of trying to redistribute savings incentives away from the present, relatively sophisticated group of savers, towards the non-savers, also makes sense. If everyone had an ISA as a matter of normal practice, we would be well on the way to one-nation Victorianism, not the two-nation version to which



HAMISH
MCRAE
TAX-FREE
SAVINGS

we are in danger of returning.

The problem, as so often seems to happen with this Government, is that when you look at the detail, the product does not match the packaging. The reason is that the new plan, instead of being in addition to existing savings incentives, replaces them. Peps and Tessas have been very successful in extending the savings habit. The Treasury is always twitchy about supposed loss of revenue, and the tax-free status of the soaring balances in Peps has caused it particular concern.

If the Government really wanted to prioritise savings it would do something different. It might, for ex-

ample, keep Peps and Tessas, pegging the amount to be paid in at present levels. Or it would allow a larger amount to be transferred into the ISA. Or it would increase the size of the total funds in an ISA pot to £100,000. Or whatever. Ask the tough question: will this plan increase the total amount of savings in the country? Probably not. In fact it might in the short-run have the opposite effect: the present hand of savers (who lose incentives) may save less, while the new hand (who gain incentives) may take a while to save more.

So what is to be done? I suggest two responses. One is for the Government to listen to the representations of the savings industry. Of course, like any lobby, it will make a case to suit itself. Nevertheless, it does know a lot about savings and the way in which tax incentives are likely to be effective in boosting them. By contrast the Treasury team, with the exception of Mr Robinson, who does know a thing or two about tax-efficient savings schemes (of which more in a moment), are babes in the wood. There is a long and dishonourable history of tax incentives not having the desired effect - look at the way money for Business Expansion Schemes did not go into business but into buying new halls of residence for universities.

The second thing is that they

should seek to create a culture of saving. People do want to try and manage their money better. You may recall a couple of weeks ago we ran a series of articles about the attitudes of young people in this country. The most important practical skill listed by young people was "being able to manage money properly". This is not a response of the elite. People with no qualifications and the unemployed were the most likely of all to pick this.

So there is a great base of common sense here on which to build. Saving is the key to money management, for the harsh reality is those least able to afford to borrow are those who are charged the most. I suspect that if some small portion of the money that goes in savings incentives were deployed into education in basic financial management, the effect on the country would be enormous. There would be far fewer Mr Micawbers in the future.

As for the people who resent losing their Peps and Tessas, I have a further suggestion. To replace their PEPs, people should start PGPs. This stands for Paymaster-General Plans, which involve setting up offshore trusts in Guernsey. These have the full approval of the Cabinet ... and I'm sure Mr Robinson would be only too delighted to tell you how it was done for him.

Bulgaria in Crisis

Appeal to Independent Readers

LEFT TO FREEZE
Yorban, 14, already malnourished could die from cold and hunger this winter unless aid reaches him now. With temperatures plummeting to -15°C Yorban's scant clothing and no shoes offer him little protection from the bitter cold and there is no money to heat his orphanage. There are 17,000 places in Bulgaria's orphanages.



No Money To Feed The Children No Money To Heat The Orphanages

Bulgaria is a country in the midst of a serious economic crisis. Unless urgent help is sent, thousands of children will suffer terribly this winter.

There is little money to heat the orphanages. Orphanage Directors are having to beg for food from local villages and rarely know where the next meal is coming from. In some areas children, like Yorban, are going hungry and the cold could prove fatal for many children this winter. Without aid this could be catastrophic for Bulgaria's orphanage children.

The European Children's Trust, sister charity of The Romanians Orphanage Trust, is ready to distribute emergency food packs, clothes and fuel to the orphanages in most need.

Your gift today will save lives and bring hope.

£28 could buy enough emergency food packs to feed 20 orphanage children for a week or heat an orphanage for 3 days.

Please send whatever you can to help children survive the winter or call 01273 299399 NOW

I enclose £ to save Bulgarian orphanage children. Cheques to The European Children's Trust. Or debit my Access/Visa/CAF card

Card no. Expiry date

Signature Date

Mr/Mrs/Miss/Ms

Address

Postcode

Telephone no.

Return to: Janya Barron, (ID18), Bulgaria Orphanage Trust, FREEPOST

KB3359, 64a Queen Street, LONDON, EC4A 4AR or call

01273 299399 NOW. Registered Charity No. 1048737

Please act NOW - winter is coming

NatWest chiefs under pressure as sale of investment banking arm leaves £637m hole

The position of NatWest's top management looked increasingly precarious last night after it emerged that the sale of large parts of NatWest Markets would leave a £637m hole in the accounts this year. *Lea Paterson examines the group's failure to become a main force in investment banking.*

National Westminster Bank is to split the equities business of NatWest Markets, its investment banking arm, between Frankfurt-based Deutsche Morgan Grenfell (DMG) and the US Bankers' Trust in a £179m deal.

The deal, which will leave NatWest nursing more than £600m in trading losses, provisions and other charges, dismayed the City and led to renewed doubts about the future of its chairman Lord Alexander and chief executive Derek Wanless.

Mr Wanless said: "We have been unsuccessful in developing this business and have therefore taken the very tough decision to effect an orderly exit as being in the best interests of shareholders and NatWest as a whole."

DMG, the investment banking arm of Germany's Deutsche Bank, is to buy NatWest's Asian and US equity derivatives business for £50m. Bankers' Trust, which snapped up NatWest's European cash equities for £129m, NatWest is to retain "a proportion of its UK equity derivatives book", which will be wound down. "It's the bit that neither Bankers' nor DMG wanted," commented one insider.

Both DMG and Bankers'



Derek Wanless, chief executive of NatWest: 'We have taken the very tough decision to effect an orderly exit in the best interests of shareholders'

got a good deal, according to City analysts, who had previously put a price tag of between £300m and £400m on the two sets of businesses. One commented: "One had hoped NatWest might have done rather better with this sale."

Despite City criticism, Mr Wanless said he was pleased with the sale. He said: "The fact that we have achieved more than net asset value is good. We are satisfied with the price."

NatWest achieved a surplus of £55m over net asset value for the businesses, but analysts pointed out that this was before a goodwill adjustment of £65m. One commented: "There is a

lot of accounting flexibility in these things."

Last month, Barclays sold parts of BZW, its investment banking arm, for £50m less than book value.

NatWest expects its investment banking activities to lose £637m in the year to December. It was revealed yesterday, NatWest Markets is predicted to make an operating loss of £210m, and NatWest is also set to take a £270m restructuring charge. In addition, the group has made a £77m provision for options mispricing discovered last March and an £80 post-Budget adjustment to finance lease receivables. John Leonard,

banking analyst at Salomon Brothers said: "The disappointing element [of the announcement] is the large loss and the size of restructuring charge."

Mr Wanless attributed the poor performance of NatWest Markets to two factors, its high cost base and the uncertainty surrounding the future of investment banking at NatWest. He emphasised that the losses did not, in the main, stem from positions taken by NatWest's traders. But Chip Kruger, chief executive of NatWest Markets, admitted: "That is not to say that individual trades didn't lose money in October and November."

The City was highly critical yesterday of the way in which NatWest Markets has been managed in recent months. One analyst called NatWest's failure to set out a clear investment banking strategy "a major disaster". Another said that it raised questions over the future of both Mr Wanless and Lord Alexander. NatWest's chairman, One commented: "I would not be surprised to see them go, but management need to cling on as long as they can in these situations."

Mr Wanless yesterday said he was "committed" to the remainder of the businesses within NatWest Markets. But some analysts doubt whether NatWest's substantial corporate advisory business could survive without its equity operations.

One said: "They've started unravelling the business and it's difficult to see where it's going to stop."

NatWest also announced yesterday that its US cash equities division is to close. The bank has also had "a number of approaches regarding its Australian investment banking operations", and is "in discussions" about the sale of its Asia cash equities business.

Outlook, page 25

Beckett to approve £3.7bn Energy bid with dividend curbs

The Government is set to impose curbs on the £3.7bn takeover of the Energy Group by the US utility PacifiCorp that would control the level of dividends it could take from its regional electricity company Eastern. Michael Harrison reports on a move which could have wide ramifications for the electricity sector.

Margaret Beckett, President of the Board of Trade, is expected to approve the deal on condition that extra safeguards are built into the regulatory regime to prevent PacifiCorp from raiding Eastern's finances.

The conditions being planned by the Department of Trade and Industry would give the Secretary of State direct powers to intervene if it was felt that the dividends being paid out from Eastern to the parent company were excessive or threatened its ability to finance its operations.

Mrs Beckett received the report of the Monopolies and Mergers Commission into the takeover 11 days ago and is expected to publish its findings along with her decision early in the new year.

She referred the bid to the MMC in August because of concerns over whether it would be possible to maintain "adequate regulatory control" over the merged company.

The decision was taken against the advice of both the electricity regulator, Professor Stephen Littlechild, and the Director General of Fair Trading, John Bridgeman.

The verdict of PacifiCorp/Energy Group is being eagerly awaited because seven other regional

electricity companies (RECs) are already owned by US utilities while three others are part of larger UK-based and run utility groups. Any tightening of the regulatory regime which is applied to Eastern may also have to be extended to cover the other RECs, which are now part of larger groups.

The Government is thought to have been concerned about the level of dividends PacifiCorp might seek to extract from Eastern because of the highly-leveraged nature of its bid. The take-over would create a group with debts of nearly \$16bn, financed partly through junk bonds. Even after planned asset sales to help finance the bid, the combined business would still have debts of \$12bn and conventional gearing of 300 per cent.

The electricity regulator Ofwat has general powers, enforced through licence amendments, to ensure that RECs which are owned by larger parent companies have sufficient resources to fund their regulated activities adequately.

Licence modifications have been introduced to ring-fence the regulated businesses to ensure they can finance their authorised activities and satisfy all reasonable demand for electricity. Each year they have to submit a report to Ofwat demonstrating their ability to fund the regulated businesses for the year ahead.

But there has been concern in government circles about the level of dividends being removed from some of the RECs by their American parents. Earlier this year it emerged that SWEB, the first of the RECs to be acquired by a US utility, had paid out £472m in dividends to its parent, the Southern Company of Atlanta Georgia, on profits of £237m in the year to March, 1996.

Stagecoach warns it will fight changes to leasing contracts

Rail and bus group Stagecoach was on a collision course with the Government last night after warning that it would resort to law if regulations were imposed to curb the profits from its rolling stock company, Porterbrook. Michael Harrison reports.

Brian Souter, the chairman of Stagecoach, served notice that any attempt to alter the leasing contracts Porterbrook has with the train operating companies would be resisted through the courts.

The warning follows confirmation that ministers may extend the regulatory regime governing the privatised rail industry to include the three rolling stock companies.

The businesses were sold off two years ago with guaranteed leasing contracts worth more than £2bn and have since proved a goldmine. Stagecoach, which paid £825m to acquire Porterbrook, disclosed yesterday that the rolling stock business generated £63m in operating profits in the first half of the year - more than 60 per cent of the group total - on sales of just £136m.

Mr Souter said: "If anyone tried to change our existing Porterbrook contracts it would be a major legal issue. Our view is that these are contracts under law and any change would be challenged by us under law."

Stagecoach's finance director, Keith Cochrane, added that it expected to hold discussions with ministers or officials in the near future to argue its case.

Mr Cochrane said that amending the contracts would be unprecedented and would deter other private sector businesses from providing finance for the rail industry. Porterbrook

has placed rolling orders worth £250m since privatisation and is about to place a further £25m contract for diesel trains which it will let on short-term rentals.

As an alternative the Government could leave existing contracts in place but impose new regulatory controls when they run out. Most of the contracts do not expire until 2004 although some will start to come up for renewal from next March.

But Mr Cochrane said Porterbrook had already given undertakings to offer reasonable renewal terms at the end of the existing contracts. Porterbrook was initially sold to its management and a group of venture capital funds for £52m but they made a £300m profit by selling the business on to Stagecoach a year later. Similar windfall profits were made when the management and venture capitalists involved in the purchase of Eversholt Leasing sold out earlier this year to a subsidiary of HSBC.

Stagecoach subsequently securitised £45m of the debt used to fund the Porterbrook takeover by issuing bonds backed against its revenue stream. Mr Cochrane said these bonds would be affected if the lease contracts were altered.

The sparkling performance from Porterbrook helped Stagecoach to a 50 per cent increase in pre-tax profits to £70.5m for the six months to the end of October. Its other rail business, South West Trains, made an operating profit of £7.8m on revenues up by 8 per cent.

Mr Cochrane confirmed that SWT was considering introducing one-man operation on its trains and extending its experiment with automatic ticket barriers to more of its stations. SWT ran into a storm of protest and was fined by the rail regulator earlier this year after axing 10 per cent of its drivers and then being forced to cancel hundreds of services because of staff shortages.

Royal replaces two top executives

Royal & Sun Alliance yesterday took the market by surprise by replacing its two top executives. The decision to relieve Richard Gamble as group chief executive entitles him to a pay-off of up to £750,000, equivalent to two years' pay.

Robert Mendelsohn, chief executive officer of Royal & Sun Alliance in the US, will take Mr Gamble's post. City sources said Mr Mendelsohn's appointment came out of the blue, as either Mr Gamble or Roger Taylor, executive deputy chairman, had been expected to steer the company following the merger of Royal Insurance and Sun Alliance in July last year.

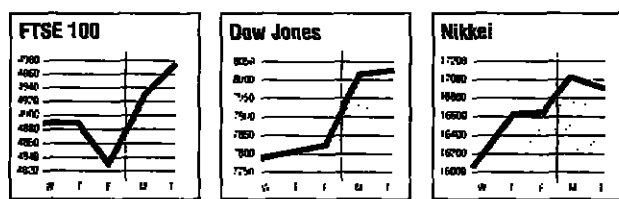
Royal & Sun also announced yesterday that Mr Taylor would relinquish his executive duties, although he would retain a seat on the board and advise the group on external affairs. He will also continue as chairman of the Association of British Insurers.

The company insisted the changes were expected. However, the move came as a pleasant surprise to the market, and Royal & Sun's shares closed up 14p at 560p.

The City has been uneasy about the top-heavy management structure at Royal & Sun since the merger. There have also been suggestions that Mr Gamble and Mr Taylor disagreed on strategic issues. Patrick Gillan, chairman, said in a statement the move was the natural next step in the development of the group. The merger of Royal Insurance and Sun Alliance had created a strong business. Integration of the two companies was on track and the changes in management "put in place the appropriate structure to build upon the group's demonstrated strength as a world class leader in the financial services industry".

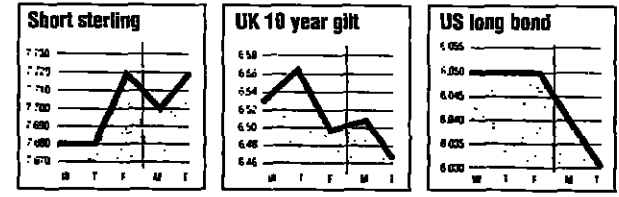
- Cathy Newman

STOCK MARKETS



Index	Close	Change	Change(%)	52 wk high	52 wk low	Yield(%)
FTSE 100	4977.60	55.80	1.13	5367.30	3882.70	3.55
FTSE 250	4668.40	10.80	0.23	4963.80	4321.80	3.46
FTSE 350	2396.60	22.80	0.96	2570.50	1935.70	3.53
FTSE All Share	2341.68	20.52	0.90	2507.68	1942.22	3.53
FTSE SmallCap	2275.0	1.90	0.08	2407.40	2127.50	3.41
FTSE Fintech	1543.6	1.30	0.19	1546.50	1198.70	3.45
FTSE AIM	970.6	3.50	0.36	1138.00	965.90	1.07
Dow Jones	8031.01	18.15	0.23	8298.03	6256.05	1.70
Nikkei	18910.29	97.30	0.57	21067.68	14966.13	0.91
Hang Seng	11218.35	465.47	4.33	16820.31	8775.88	3.78
Dax	4072.96	4.91	0.12	4459.89	2760.76	1.96

INTEREST RATES

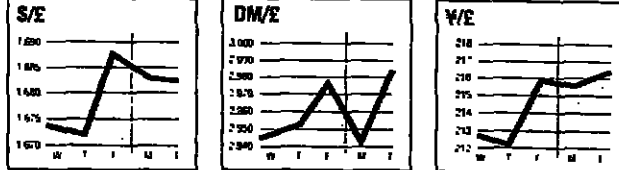


Money Market Rates	3 month	1 yr	1 yr cld	10 year	1 yr cld	Long bond	1 yr cld
UK	7.75	1.34	7.91	0.97	6.47	-0.86	6.37
US	5.92	0.42	6.05	0.36	5.86	-0.20	6.03
Japan	0.67	0.19	0.76	0.17	1.95	-0.58	2.60
Germany	3.76	0.52	4.09	0.79	5.41	-0.20	5.99

MAIN PRICE CHANGES

Rises	Price (p)	Chg (p)	% Chg	Falls	Price (p)	Chg (p)	% Chg
BICC	162.00	10.00	6.58	Perpetual	2420.00	-177.50	-6.83
Hambros	267.00	16.00	6.37	Brit Biotech	119.50	-4.00	-3.24
Standard Chartered	715.00	34.00	4.99	Taylor Woodrow	188.50	-5.50	-3.16
Lloyds TSB	718.00	34.00	4.97	M&G Group	1392.50	-42.50	-3.05

CURRENCIES



£/\$	at 5pm	Change	% Chg	£/DM	at 5pm	Change	% Chg	£/¥	at 5pm	Change	% Chg
Dollar	1.6825	-0.006	-1.5823	D-Mark	2.9855	-0.80p	-2.6155	D-Mark	1.7732	-0.35p	-1.5461
Yen	216.54	-10.68	-192.64	Yen	128.70	-10.36	-114.08	Yen	107.70	-0.30	-97.60
£ Index	105.40	-0.20	94.50	£ Index	107.70	-0.30	97.60	£ Index	107.70	-0.30	97.60

OTHER INDICATORS

at 5pm	Change	% Chg	at 5pm	Change	% Chg	at 5pm	Change	% Chg
Brent Oil (\$)	18.07	-0.05	23.72	GDP	113.90	3.80	109.70	Jan
Gold (\$)	294.45	0.60	371.05	RPI	159.50	3.70	153.81	Nov
Silver (\$)	5.32	0.08	4.73	Base Rates	7.25	6.00		

www.bloomberg.com source: Bloomberg

Call for bigger pollution cuts delivers blow to coal hopes

The Environment Agency is to ask for bigger cuts in sulphur pollution from coal-fired power stations, in a move that could further jeopardise the future of the coal industry. Chris Godsmark, Business Correspondent, reports on moves which could scupper ministers' hopes of finding new solutions to the coal crisis.

The call for significantly larger reductions in sulphur emissions will come in a consultation paper by the Environment Agency, which could be published before Christmas. Officials at the agency, which operates independently from Whitehall, believe that the demand is a matter of urgency.

The current targets set by the Inspectorate of Pollution last year are for power stations

to cut their sulphur emissions by 84 per cent by 2005, compared with pollution levels in 1991. However the huge increase in gas-fired electricity generation has already produced an unexpectedly large reduction in emissions.

The existing target says most of the drop in sulphur output would come from new gas power stations, while older coal stations would account for just a 6 per cent cut. Though the new targets have yet to be signed off, they are certain to demand a bigger contribution from coal stations.

The Agency has submitted its revised plans in evidence to the Commons Trade and Industry Select Committee, which will today continue its investigation into the plight of the coal industry.

The extra environmental obligations look set to further tip the balance against coal, which has been hit by a plunge in orders next year from the big generators. The new targets also demonstrate the Environment Agency's determination

to block any moves by ministers to reduce the pressure on coal by relaxing pollution standards.

The agency believes generators and mining companies could meet the obligations without an even bigger shift towards gas generation, which has much lower sulphur emissions. The paper will suggest a range of measures, including burning high sulphur content coal in the most efficient power stations and adding lime to the generating process.

Separately yesterday it emerged that plans by RJB to create a huge opencast mine between Leeds and Wakefield will not be challenged by the Department of Transport and the Environment. The group wants to extract more than 2 million tonnes of coal from a 620-acre site, but has faced intense local opposition.

The department confirmed that it had decided not to call in the planning application for ministerial consideration, a move which would have delayed the process.

Engineering company shows the way with no-underwriters rights issue

The practice of charging companies fixed fees to raise money in the City looks on the way out after an engineering company yesterday launched a rights issue dispensing with underwriting fees altogether.

The move comes just two weeks after John Bridgeman, Director General of the Office of Fair Trading (OFT), referred the issue of underwriting services to the Monopolies and Mergers Commission, on the grounds that the system is anti-competitive.

Heat treatment specialist Bodycote will raise £99.3 million in a one-for-four rights issue priced at 500p a share - a 47.5 per cent discount to the prevailing market price - to help pay for its £60.7m acquisition of French

group HIT. Pricing the issue at such a large discount removes the need for underwriting, where institutional shareholders guarantee to buy shares at the issue price even if the company's share price falls below it.

As a result, Bodycote, which was advised by Dresdner Kleinwort Benson, does not have to pay the standard underwriting fee of 2 per cent of the amount raised. "It was a case of saving £2m, which is a very attractive proposition for a company like ours," said managing director John Chesworth.

The move was generally welcomed in the City. "It's throwing down a gauntlet to the traditional system," said one institutional investor. "It was bound to happen sooner or

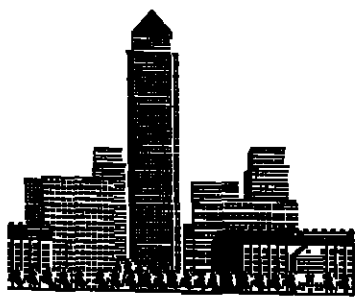
later," another investment banker said.

The issue is believed to be the first in recent years where a financially sound company dispenses with underwriting fees. Previously, investment banks had sought to cut fees by putting part of the underwriting out to tender.

John Rogers, director of investment services at the National Association of Pension Funds, said: "It shows that there is flexibility in the London underwriting market." Most observers said there was no reason why other companies should not adopt a similar approach.

The OFT was also positive. "This is just the sort of thing the Director General was looking for," said a spokesman.

- Peter Thal Larsen



OUTLOOK

ON THE NEW
SAVINGS SCHEMES,
BODYCOTE'S RIGHTS
ISSUE AND
NATWEST'S EXCUSES

ISAs aim to cap the Revenue's losses

Here is a test. You are the new Chancellor and your Permanent Secretary has just helpfully pointed out that the tax-free investment alternative promised in your election manifesto will cost the Exchequer squillions. It was bad enough that the tax foregone on personal equity plans and Tassas, will be £1.25bn this year, rising to £1.7bn by the turn of the century. But did you know that your brand spanking new Individual Savings Account, aimed at low income earners, has the potential to cost a lot more in tax revenues than PEPs and Tassas ever did. Gulp. What do you do? The answer came yesterday, when the Treasury wheeled out a hapless Paymaster General, Geoffrey Robinson, to explain the Government's new ISA to a sceptical audience.

Yes, the ISA will enjoy virtually identical tax incentives to existing PEPs and Tassas plus bolt on goodies like instant access to a portion of the amount saved. But there will be one major difference: unlike existing PEPs, which allow maximum investments of up to £9,000 a year and no limit over time, the ISA will have an annual cap set at £5,000 and an upper ceiling of £50,000.

One of the admirable purposes of ISAs is to stimulate savings among a far wider swathe of people than PEPs and Tassas ever reached with their appeal to better-off folk with money to spare.

There is no doubt that many will be better off with an ISA, even if it is to the tune of just a few pounds. But we should not pretend either that this is an exercise de-

signed solely to encourage poorer savers since the fiscal impetus behind the new savings schemes is to cap the amount the Revenue is losing from existing ones.

While poorer savers will get a better deal it will not make a jot of difference to the super rich. They, like Mr Robinson, will continue to invest their riches in offshore trusts where no Chancellor can get his hands on them.

Underwriting cartel is challenged

At last, a company with the gumption to challenge the City's underwriting cartel and launch a deeply discounted rights issue. But hold on a moment. Is anything actually being achieved here?

Bodycote and its merchant bank adviser, Dresdner Kleinwort Benson, have decided to dispense with underwriting commissions altogether in raising £99m from shareholders. Instead the rights are being pitched at a deep discount to the prevailing price of Bodycote shares, so that even if the stock market collapses before the issue can close, Bodycote is still virtually guaranteed of getting its money.

The company thus saves itself the traditional 2 per cent underwriting fee, while retaining the money in the bank certainty which provides the main justification for such fees. Just the ticket.

So if this is such a great idea, why isn't it more commonly used? One possible ex-

planation is that in the wake of the recently ordered Monopolies and Mergers Commission probe into the underwriting cartel, the old system is already crumbling and the City is reforming itself under its own steam. In the old days companies would have been advised strongly against this approach, if only because it deprived the City of its commission.

Annoyingly for Dresdner, which now looks as if it is reacting to pressure, the deeply discounted route for Bodycote was under actually being planned before the MMC investigation was launched. But it is certainly the case that the threat of regulatory action has stirred the City into reform, of which this is an example.

Nor have the merchant bankers and lawyers been left entirely penniless by the exercise. There is still a £2.4m charge to Bodycote in advisory fees (or 2.4 per cent of the sum raised), though to be fair most of this is accounted for by the related cost of the HIT acquisition in France.

Moreover, the Bodycote issue suffers from a familiar problem with deeply discounted rights; what the company gains in lack of underwriting commissions, it loses in terms of having to pay out enhanced dividends, which increase the long term costs of the capital raised. In order to make this issue attractive to shareholders, Bodycote is first increasing the dividend on the existing share capital by 34 per cent. The effect is that Bodycote will have an on-going dividend cost on the new capital of about double what it pays on the old.

In Bodycote's case, this hardly matters.

The amount raised in relation to its total market capitalisation is relatively small. Bodycote is also a high growth stock with a tiny yield. The real test of a deeply discounted rights is going to be when it also involves a pro-rata cut in the dividend, to reduce the costs of the extra capital. Some shareholders, particularly small ones, object to this because if you don't take up your rights it leads to the illusion of reduced dividend income. Will the City go for such an approach? Now why does that seem so unlikely?

NatWest puts on a brave face

A personal letter to the shareholders of National Westminster Bank from the chairman Lord Alexander, and the chief executive, Derek Wanless. Dear shareholder. It looks bad, doesn't it? But in fact it isn't. Actually it's very good news for all of us really. Let's get the bad news over with first. Totting up all the costs associated with our withdrawal from equities trading, we've arrived at a grand total of £637m, which will be charged to group profits this year.

That includes everything, you understand - trading losses, restructuring charges, that wretched options mispricing business and a wacking great post budget adjustment to finance lease receivables, whatever they are. By the way, this last item definitely wasn't our fault, and as for the

rest, that can all largely be blamed on NatWest Markets' former chief executive, Martin Owen, who we have now fired.

We feel sure that you will give us credit, both for the speed with which we have grasped the nettle and disposed of these businesses, and for the openness with which we have detailed the damage. The same cannot be said of that mob round at Barclays, who have not yet said how much their own parallel withdrawal from BZW is costing them.

Now for the good news. The very fact that we are getting all this out of the way now will enable us to deliver substantial improvements in our performance in 1998 and thereafter - £637m of improvement, to be precise. You can't say fairer than that, can you? As it turns out, these businesses were tying up a huge amount of capital - what we in banking call "weighted risk assets" - which is now available for use elsewhere. Given our record, you can surely rely on us to squander this money elsewhere now that it has been released. Ha, ha! Only joking. Actually, we intend to return a big chunk of it to you the shareholders. So you see it has all worked out rather well in the end.

A chapter is closed and we now offer a new beginning, new horizons, bigger and greater things... Oh all right then. Enough is enough and we agree to go quietly when suitable replacements are found.

Yours apologetically, etc etc, signed in the chairman's absence, squiggle, squiggle, PA to the chairman of National Westminster Bank.

South Korea to sign record \$55bn IMF bail-out package

South Korea is likely to sign an agreement for a rescue package with the International Monetary Fund (IMF) today, which will lay the basis for the biggest economic rescue in history. In Hong Kong Stephen Vines reports that the price of the rescue will be high and examines the chaotic negotiations to extricate Seoul from its economic crisis, while Leo Paterson in London looks at a tough-talking report on Japan.

The IMF is expected to contribute \$20bn (£11.8bn) to a \$55bn bail-out with the balance coming mainly from Japan, the United States and the Asian Development Bank. This tops the \$50bn bail out for the Mexican economy two years ago.

First signs of the price to be extracted emerged yesterday when the Korean government was reported to have suspended the licenses of nine merchant banks. However in the currently confused atmosphere prevailing in the capital Seoul, news of these suspensions came not from the government, which remained silent, but from the stock exchange which suspended trading in the companies' shares.

Reports from Seoul say that 12 merchant banks and two commercial banks are about to keel over under the pressure of bad debt. The IMF is insisting on restructuring of Korea's manifestly inadequate financial institutions which will involve both closures and shotgun marriages of ailing banks with more solidly based institutions.

The Korean government is finding it hard to come terms with the humiliation of seeking

the bail-out. Negotiations have proceeded by fits and starts with the government sending mixed signals about its willingness to bow to IMF demands.

However, it is becoming clear that ordinary Koreans will shoulder a heavy burden in consequence of this rescue. A predicted agreement with the IMF to reduce economic growth next year to 3 per cent, is estimated to push unemployment up to around 6 per cent of the workforce, compared with the current level of some 2.5 per cent.

The Korean economy has enjoyed an astonishing average level of growth of 8.6 per cent per year for the past three decades. This sharp reversal is unpalatable for many Koreans. Kim Dae-jung, the veteran opposition politician who may well triumph in the pending presidential elections, has pledged to renegotiate the terms of the IMF agreement.

The battle weary Korean stock market registered another fall of just over 4 per cent, while the fast shrinking local currency hit a new low with a further fall of 3.5 per cent against the US dollar.

For a change Korea's woes did little to affect sentiment elsewhere in Asia yesterday. Most Asian stock markets registered gains on the back of a strong performance on Wall Street on Monday and a surge in Japan on the same day.

The mood of cautious optimism was seen most clearly in Hong Kong where the blue-chip Hang Seng Index registered a gain of over 4 per cent, and, for the first time this month, climbed steadily throughout the day without being dragged down by selling pressure.

Share prices in Tokyo fell back only marginally after profit taking kicked in following Monday's surge.

Talk of government intervention also helped firm up the

value of the Yen as the influential Organisation for Economic Co-operation and Development (OECD) yesterday warned the Japanese government to take care not to damage further the embattled economy.

In its annual survey of Japan, the OECD also predicted the recent turmoil in other parts of the Far East could threaten future Japanese growth. The OECD said: "The recent financial difficulties of some South East Asian countries could have a marked effect on Japanese business sentiment and export growth to that region".

Recent economic troubles in Japan mean that Gross Domestic Product (GDP) will grow by less than 1 per cent in 1997, the OECD predicted.

The OECD cautioned the Japanese government against interest rate hikes, saying that "an early tightening of monetary policy does not seem to be warranted in the current economic environment". Easy monetary conditions, that is maintenance of the historically low levels of interest rates in Japan, "would also help restore the health of the banking system".

A rapid fall-out in government spending could also damage future economic growth, the OECD cautioned in its survey. The OECD said: "Care should be taken to avoid too rapid a withdrawal of government support to the economy in the short term".

The Japanese government intends to reduce public investment in the coming years to try and reduce its budget deficit. The general government deficit rose to around 4 per cent of GDP in 1996, one of the largest in the OECD area.

Rather than slashing public spending, the OECD suggested that the Japanese government introduce structural reforms to try and balance its budget.



Alcopops: Sales of Merrydown's Two Dogs have been rocked by the public outcry

Merrydown in takeover talks

Merrydown, the beleaguered cider and alcopops maker, yesterday announced it was in takeover talks after plunging into the red. Andrew Yates finds the group is unlikely to retain its independence.

Merrydown is believed to be holding takeover talks with an international drinks group. However a bidding war could emerge with more rivals entering the fray, according to industry sources.

Pernod Ricard, which has close ties with Merrydown, having recently reached an agreement to distribute its controversial alcopop Two Dogs, is understood to be considering launching a bid.

Brewing giants Scottish & Newcastle and Whitbread, and cider rivals Matthew Clark and HP Bulmer could also be interested in making an approach but are not currently in talks with Merrydown. News of the talks sent the shares up 15p to 65.5p.

The announcement comes as Merrydown revealed it had lost £944,000 for the six months to September, compared to a profit of £673,000 last year.

Merrydown also revealed that Richard Purdey is to stand down as chairman after 32

years in the wake of growing criticism in the City of Merrydown's poor share price and operating performance. He was paid £95,000 last year and is on a two-year rolling contract, so he is entitled to a pay-off of around £190,000.

Matthew Jordan, drinks analyst at ABN Amro Hoare Govett, said: "This looks like Merrydown trying to sell themselves. The group needs to be snapped up by someone. If it remains independent it probably wouldn't last very long."

Mr Purdey said: "We expect to be in a position to decide whether a final bid has materialised well before Christmas."

Sales of Merrydown's Two Dogs have been rocked by the public outcry over alcopops and the decision by major retailers to stop stocking the brand.

Mr Purdey said: "Two Dogs sales have collapsed. The market was flooded by more than 90 new products and the effect has been cataclysmic."

Merrydown has also been hit by a rise in duty on strong ciders, which has led to a price war.

Separately, Eldridge Pope announced a 23.6 per cent rise in pre-tax profits to £5.4m, and a shake up in its share structure aimed at enfranchising its "A" shares. Old English Pub group also announced the acquisition of seven coaching inns for £5.1m.

Logica offers free computer course to lure new recruits

Logica, the UK information technology company, will today announce its latest innovation to plug the yawning skills gap in the computer industry - an all-free paid university course in IT.

In a joint venture with the University of East London in Stratford, Logica is starting a four-week intensive course to train people who have no IT experience in basic IBM mainframe computing skills.

Logica will pay all course fees, amounting to tens of thousands of pounds in the initial phase, and guarantees to give all successful students a job at Logica as a technical consultant at its Brentwood office starting in the new year and paying probably around £17,000 basic.

The initial course has already selected 16 people, including a paleontologist, an ex-bank manager and a former secretary at the company, through a two-day assessment, but Logica plans to extend the scheme.

A spokesman for the company, which currently recruits around 500 people a year, said the course could feed in around 100 extra employees a year.

- Randeep Ramesh

Logica, which had a profits scare in June when it warned that it could not recruit IT people fast enough, has since launched a number of unusual schemes to attract new people.

The company pays any existing staff member £2,000 cash for introducing a new employee into the company and recently opened a drop-in centre for people interested in being trained in computer skills.

Logica is not the only IT company feeling the pressure of a shortage of computer programmers. Around 50,000 new people are needed in the industry by the year 2000, to meet demand driven by the millennium problem, monetary union and booming growth of IT in business.

CRI Britain's largest IT staff recruiter, was overwhelmed with telephone calls after it announced a scheme in November to create 2,000 jobs in five years, inviting anyone to apply and promising applicants who pass a selection test and a three-month paid training period a full time job paying up to £40,000 a year.

- Sameena Ahmed

Virgin set to choose £300m tilting train bidder

Virgin Trains is considering plans to buy 75 tilting train sets as part of its order for Cross-Country, the sprawling rail franchise that covers the nation.

Four train-makers - Adtranz, Bombardier, Siemens and GEC Alsthom - have lined up to bid for the lucrative deal, which industry insiders say would be worth more than £300m.

With the announcement of the preferred bidder to be made this week, executives could see the value of the contract increase by up to 25 per cent.

If Richard Branson, the

chairman of Virgin, commits his company to the order - which would be in addition to the 55 high-speed trains for his West Coast operation - it would make him the "tilting train tycoon of Europe".

Managers at Virgin have been attracted by the huge time savings tilting trains would provide. Calculations suggest the twists and turns of many of Cross-Country's routes would see significant journey time reductions.

For example, the trip from Birmingham to Bristol, which can take more than one and a

half hours, could be cut by 30 minutes.

The other advantage of tilting trains is that they allow higher frequencies on many routes. One lucrative service that would benefit is Birmingham to Manchester.

Any tilting train order for Cross-Country would seem to favour Adtranz and GEC - as both are also bidding to build tilting trains for Virgin's West Coast service. However industry sources point out that Virgin could lose out if it only chose one supplier.

Save on
business fares
to the USA.
Don't go.

With BT Conference Call, you can hold meetings anywhere in the world without leaving your desk. And you can talk to as many or as few people as you want. All you need is a phone, and you're in business.

Why not change the way we work? BT

BT Conference Call. For a free demonstration:
Freefone 0800 800 800

OFFER ENDS 31.12.97. UP TO 1,000 PEOPLE SUBJECT TO AVAILABILITY.

THE INVESTMENT COLUMN

EDITED BY SAMEENA AHMAD

Food sector may be on the turn

is the UK food manufacturing sector finally on the turn? Yesterday's 21 per cent increase in half-year underlying profits at Hazlewood Foods, following decent figures from Northern Foods and Geest, suggests it is.

If so, it won't be before time. Shares in UK food producing companies have underperformed the market by some 15 per cent over the last five years. Dismal performances from individual stocks such as Dalgely and United Biscuits have hardly helped, while the BSE crisis has hammered those into red meat. There

proving sales mixes towards higher margin lines and rationalising their bases. With raw material prices now more stable, food stock share prices have already started to turn up.

Companies including Geest, Albert Fisher and Hazlewood have been moving out of commodity sectors into higher margin added-value products such as convenience foods where market growth is buoyant and barriers to entry are high. Hazlewood impressed the market with a 10 per cent increase in underlying sales in the year to September and an improvement in margins.

To add to the rosier outlook, the dairy groups, particularly Unigate and Northern Foods are beginning to benefit from the rationalisation of their declining

should be avoided, stocks such as Unigate, Dairy Crest, Northern Foods, Hazlewood and Geest are still on relatively low ratings. They look good value.

Siebe exudes confidence

Barrie Stephens can retire a contented man. In 33 years the long-serving Siebe chairman, who presented his last set of results to the City yesterday, has taken the industrial controls and appliances group from a tiddler with annual sales of £1.4m to a global engineering giant turning over more than £3bn.

On yesterday's evidence, that progress should continue. While other engineering companies grapple with the strong pound and the economic upheaval in the Far East, Siebe could hardly have sounded more confident.

Sceptics had viewed the acquisition of troubled process engineer APV last May as a sign that Siebe was running out of steam. Not so. In just four months under Siebe's management, the unit's margins widened by two percentage points to 5.5 per cent. They should hit 10 per cent some time next year - well ahead of schedule.

What about the currency? True, translating overseas profits into sterling knocked a cool £19m off Siebe's bottom line. But this is a one-off accounting effect. In fact, cheaper currencies have given some of Siebe's overseas operations a welcome competitive boost.

That's especially true of the Far Eastern markets, which account for 17 per cent of the company's sales. Siebe says it hasn't seen any demand weakness, and sees the shake-out as an opportunity to snap up selective acquisitions in the region.

With organic profits - excluding the effects of currencies and acquisitions - rising by over 20 per cent, the charge that Siebe needs deals to fuel growth also looks thin.

Indeed, the company has ruled out any large acquisitions for the time being, saying management has enough on its plate. With the full benefits from APV and an internal efficiency programme still to come, brokers have

Hogg Robinson on road to recovery

Hogg Robinson's share price has never recovered after the business travel to financial services group stunned investors with a profits warning last January. However, yesterday's results, which showed a 21 per cent rise in underlying pre-tax profits to £14.5m for the six months to September, suggest it is on the road to recovery.

The transport division, which had proved to be the group's Achilles' heel over the last few years, has finally been off-loaded to its management team. Given the division's dwindling earnings, the £23m HR got for selling the business looks a good price.

HR is left with a fast-growing business travel subsidiary with excellent prospects. After a few hiccups Bennett, its Scandinavian travel agent, is performing well. The market for business travel is growing strongly and by securing more fee-based work the group is better placed than most to cope with a move by airlines to cut commissions to agents.

With £37.5m in the bank HR also has the financial fire-power to launch an acquisition spree. After earmarking £15m for an earnings-enhancing share buy-back it reckons it has another £65m up its sleeve, with travel businesses in North America and the Far East on the shopping list. The logic goes that HR will be able to win much more business if it can offer customers a travel service with global spread.

The one potential black spot is the financial services division. It still has its fair share of problems, with the pensions market struggling to shrug off the damage done by the mis-selling scandal, and HR is likely to be forced to dispose of some of the worst performing bits.

UBS forecasts full-year profits of £29m, putting the shares on a prospective PE ratio of 10. Trading on a 40 per cent discount to the market, HR shares, ahead 2p at 225p, look good value.

PEOPLE & BUSINESS

JOHN WILLCOCK



No one expected Sam Chisholm, the recently departed chief executive and managing director of BSKyB, to be absent from the pay TV industry for long. Just weeks after stepping down from the driving seat at the satellite broadcaster, both Mr Chisholm and his deputy, David Chance, have re-emerged in the Polish television market.

But where Mr Chisholm and Mr Chance spent their time at Rupert Murdoch's satellite business scaring the living daylights out of the British cable companies, they will now sit on the board of the biggest Polish cable television operator, @Entertainment, as non-executive directors.

The company, which is quoted on Nasdaq, has 700,000 customers, and is launching a digital service in April next year, roughly the same time that BSKyB is scheduled to launch its digital satellite service. Bob Fowler, chief executive officer of @Entertainment, said the assistance of the men from the Sky would be "invaluable".

The likes of Cable & Wireless Communications and Telewest Communications, the two largest cable companies in this country, must be pondering whether the dynamic duo could be tempted with a similar board position in the UK. After all, both men have an enviable reputation for turning around ailing businesses.

Another time-honoured tradition bites the dust. Jeremy Pope is scrapping the division between voting and non-voting shares in Eldridge. Pope, which his father Phillip Pope introduced into the family pub business in 1951. From next year holders of non-voting shares will have full voting rights, as the company seeks to gain support from a wider, institutional base.

This is quite a step for Mr Pope, the fourth generation in the family, since non-family members haven't had a look-in until now. He describes it as a deck clearing exercise - "so that we're prepared for changes in the market."

His father, like Jeremy a lawyer, split the

shares in two 40 years ago in order to allow various members of the family to raise some cash by selling non-voting shares, while retaining control. The company has got out of its original brewing business and now concentrates on developing pubs. Its three main brands are Fireside Inns, Bar Excellence and Slumping Toad. And now, not only can you invest in them, you can control them, too.

London Business School has plucked Professor John A Quelch from Harvard University to succeed its current principal Professor George Bain, who is going off to tell the Government all about the minimum wage.

The new man at the LBS is actually a Brit. Mr Quelch was born in London in 1951 and graduated from Exeter College, Oxford with a degree in history in 1972. He's been at Harvard in some shape or form since 1977, and is currently the Sebastian S Kresge Professor of Marketing. Lord Sainsbury of Turville, chairman of LBS's governing body, describes him as "the ideal man to lead the school."

If you're looking for a stocking filler for a loved one, how about Robert Alexander's racy new book, *The Voice of the People: A Constitution for Tomorrow*. OK, NatWest Group's chairman Lord Alexander hasn't turned out a bodieripper, exactly, but it's all worthy stuff, and probably played its part in getting the barrister-turned-banker on to Roy Jenkins's working party on constitutional reform this week. A NatWest spokesman tells me that since the tome's publication two months ago sales have gone quite well.

Just one thing occurs to me. NatWest has this year dropped around £600m on its investment banking operations, which it finally sold yesterday. Shouldn't Lord A have spent less time authoring and more time auditing?

As the late Roy Castle used to say, Jem Miller is a RECORD BREAKER. The jovial spin doctor retired last Friday from Lowe Bell Financial, although he will continue as a consultant for the firm.

Over his career Mr Miller spent 26 years representing Tate & Lyle, which many consider to be the longest ever PR account in the City. Any challengers? He has also represented Highland Distilleries since the mists of time.

Piers Pottinger, chairman of Lowe Bell Financial, says the firm will continue to present the annual "Jem Miller Award for most spectacular behaviour at a Christmas party."

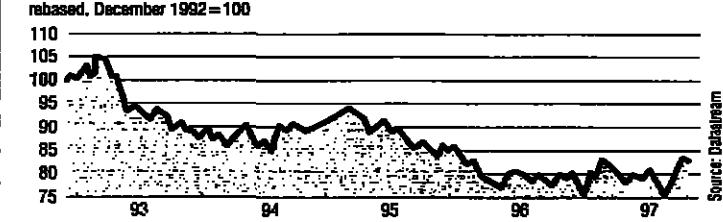
One distinguished former employee won it for "taking a taxi home from the office party to the house he moved out of four years before," says Mr Pottinger. Jem originally won the prize many years ago for "cossack dancing at Cliveden (the posh Thames Valley hotel) in the most spectacular fashion," he adds.

Mr Miller, a native of Zimbabwe, is celebrating his retirement by buying a house in the South of France.

UK food producers: At a glance

Company	Market value, £m	Share price, p	Dividend, p	Yield, %	Profit, £m	Profit, pence
Albert Fisher	265	37	23.6	9	42.5	42.5
ADF	4,905	545.5	23.7	17	435	435
Dairy Crest	282	255	12.2	10	41.0	41.0
Geest	275.1	381	20.3	16	34.5	34.5
Hazlewood Foods	389.9	150	41.4	12	31.0	31.0
Hilldown Holdings	1,115	156	25.7	10	128.1	128.1
Northern Foods	1,574	270	11.2	13	146.0	146.0
Unigate	1,371	571	13	18	144	144
United Biscuits	1,118	211.5	15	14	76.6	76.6

UK food producers against FT Allshare



have also been tough issues affecting the whole sector - pressure on margins from the cost-cutting supermarkets, rising raw material prices and restrained consumer spending.

Many of these problems have waned. And exchange rate factors have made the defensive qualities of the domestic food producers much more attractive. But the improvements do not end there. The trading environment should stabilise the big supermarket groups and affect margins. But, as the graph illustrates, the sector has been edging up in recent months. While perennial underperformers such as United Biscuits, Dalgely and Albert Fisher

doorstep milk businesses. Less attractive are companies with overseas earnings affected by the strength of sterling, such as Tate & Lyle and Cadbury Schweppes, while Unilever and Associated British Foods are already highly rated.

Its recent underperformance is likely to cast a cloud over the sector until strong trading results become a more frequent feature. And the deterioration in trading at Safeway could destabilise the supermarket groups and affect margins. But, as the graph illustrates, the sector has been edging up in recent months. While perennial underperformers such as United Biscuits, Dalgely and Albert Fisher

Allied Colloids results slip-up reveals bid defence facts

It was red faces all round yesterday at Allied Colloids, the chemicals group attempting to fend off a £1.1bn hostile bid from US rival Hercules, when it issued the wrong interim results statement to the Stock Exchange.

The original statement gave away facts Allied is likely to raise in its impending defence document. In it Allied predicted that exchange rates and raw material costs were unlikely to rise in

the next six months and that overheads had risen slower than sales. Schroders, Allied's brokers, blamed an administrative error.

Hercules called the handling of the results "shambolic" and said it was considering taking up the matter with the Takeover Panel. A spokesman for Allied said: "We are not embarrassed by the facts that have been revealed and stand by them."

David Farrar, Allied's chief

executive, claimed that the 52.1 per cent rise in pre-tax profits to £32m for the six months to September would act as "a springboard on which to launch a strong defence".

However Hercules yesterday proclaimed it was "underwhelmed" by the new figures and said they were at the bottom of analysts' expectations. Keith Elliott, chairman and chief executive of Hercules,

said: "Sales are down on a like-for-like basis, return on capital continues to decline... and the company is clearly still vulnerable to currency and raw material price movements."

Philip Morris, chemicals analyst with Nikko, said the strong results proved the Hercules bid was a non-starter, although Allied was unlikely to remain independent.

Andrew Yates

Bass given go-ahead to buy Carlsberg-Tetley brewery

Margaret Beckett, President of the Board of Trade, has given the green light for Bass's acquisition of Carlsberg-Tetley's brewery at Burton on Trent. The brewery was put up for sale after Ms Beckett's controversially decided to block Bass's acquisition of Carlsberg-Tetley's UK brewing business.

Carlsberg-Tetley warned the decision would lead to substantial job losses and force it to sell off or close some breweries. Bass announced last month it would buy the Burton brewery and close two of its own breweries at Sheffield and Cardiff.

Sears sells Dolcis

Sears, the struggling retail group, has sold its Dolcis shoe chain to Alexon, the women's clothing retailer and Electra Fleming, the venture capital group. The deal involves 106 shops and the transfer of 1500 staff. Sears will incur a net loss of £13m on the disposal. The sale is the first part of Sears' plan to sell or close its British Shoe Corporation division. Dolcis recorded a loss of around £8m on sales of £66m last year.

Dawson buys wholesaler

Dawson Holdings, the AIM-listed newspaper and magazine wholesaler, yesterday said it had agreed to acquire the wholesaling interests of Johnsons News for £32m. The acquisition will give Dawson 20 per cent of the UK newspaper and magazine wholesale market, the company said yesterday. Johnsons is the UK's fourth biggest newspaper and magazine wholesaler. Following the purchase, Dawson said it would have current turnover of £529m.

Laker's BA case dismissed

A court in Florida has thrown out a case brought against British Airways by Sir Freddie Laker, the longstanding opponent of the airline, over the allocation of take-off and landing slots at Gatwick Airport.

Sir Freddie had complained that BA effectively controlled the allocation of slots at the airport. Dick Wyatt, a BA employee, is this year's elected chairman of Gatwick Airport Co-ordination, which allocates slots. The US judge said the Laker action suffered from "both a procedural and substantive defect". BA said last night that it did not exert undue influence on the slot-allocation process and had just 26 per cent of slots at Gatwick.

Chrysalis in 'masthead TV' talks

Chrysalis Group, the television, radio and music company, is talking to Condé Nast, owner of *Vogue* and *Vanity Fair*, about turning some of the publisher's best known magazines into television programmes.

Chrysalis said yesterday it was talking to Condé Nast about "masthead programming" - naming a television programme after a magazine. At present, the Independent Television Commission allows such programming on cable and satellite television, but will consider next spring whether magazine brands could be extended on to terrestrial television.

The move comes two months after news that Emap was talking to Richard Branson's Virgin Century Television about putting magazines such as *FHM* and *Just Seventeen* on television.

Chrysalis, which reported a 65 per cent reduction in pre-tax losses to £1.9m for the year to the end of August, also revealed that BSKyB had approached the company about taking a stake in its television production interests. However, the talks, which formed part of BSKyB's drive to invest in original programming, did not come to fruition.

Cathy Newman

MJN PII Range

From The Award Winning UK PC Manufacturer

Take a closer look at our new range of 'Best Buy' high performance systems with Intel Pentium II and IBM 6x86MX M-2 MMX processors, PC-TV, voice recognition and VideoPhone.



Voicetype
VideoPhone
PC-TV



MJN 233-2

- Intel Pentium II 233MHz processor with MMX technology
- 32Mb SDRAM
- 4.3Gb Seagate ultra ATA hard drive
- PC-TV system with Teletext and video capture
- 56K Rockwell flash upgradeable voice modem
- 4Mb ATI Rage II+ DVD 3D graphics
- 24 Speed MAX LG CD-ROM drive
- 15" SVGA 0.28dp screen (17" optional)
- 512K pipeline burst cache
- VideoPhone receive for incoming VideoPhone calls
- Voice recognition with IBM Simply Speaking Gold
- MJN ATX system with Intel 440LX PC97 chipset
- All standard features below

£1189 Plus VAT

£1397.08 Inc. VAT

MJN 233M-2

- IBM 6x86MX PR233 processor with MMX technology
- 64Mb EDO RAM
- 6.4Gb Seagate ultra ATA hard drive
- PC-TV system with Teletext and video capture
- 56K Rockwell flash upgradeable voice modem
- 4Mb SIS Advanced Graphics with Microsoft direct 3D
- 24 Speed MAX LG CD-ROM drive
- ESS 3D waveable sound
- 15" SVGA 0.28dp screen (17" optional)
- 512K pipeline burst cache
- Full VideoPhone including colour video camera
- Voice recognition with IBM Simply Speaking Gold
- MJN ATX system with Intel 440LX PC97 chipset
- All standard features below

£1269 Plus VAT

£1491.08 Inc. VAT

MJN 266-2

- Intel Pentium II 266MHz processor with MMX technology
- 64Mb SDRAM
- 6.4Gb Seagate ultra ATA hard drive
- PC-TV system with Teletext and video capture
- 56K Rockwell flash upgradeable voice modem
- 8Mb AGP ATI Rage Pro 3D graphics
- 24 Speed MAX LG CD-ROM drive
- Creative Labs 3D waveable sound
- 15" SVGA 0.28dp screen (17" optional)
- 512K pipeline burst cache
- VideoPhone receive for incoming VideoPhone calls
- Voice recognition with IBM Simply Speaking Gold
- MJN ATX system with Intel 440LX PC97 chipset
- All standard features below

£1499 Plus VAT

£1761.33 Inc. VAT

MJN 300-2

- Intel Pentium II 300MHz processor with MMX technology
- 64Mb SDRAM
- 6.4Gb Seagate ultra ATA hard drive
- PC-TV system with Teletext and video capture
- 56K Rockwell flash upgradeable voice modem
- 8Mb AGP ATI Rage Pro 3D graphics
- 24 Speed MAX LG CD-ROM drive
- Creative Labs 3D waveable sound
- 15" SVGA 0.28dp screen (17" optional)
- 512K pipeline burst cache
- VideoPhone receive for incoming VideoPhone calls
- Voice recognition with IBM Simply Speaking Gold
- MJN ATX system with Intel 440LX PC97 chipset
- All standard features below

£1649 Plus VAT

£1937.58 Inc. VAT

INTEREST FREE OPTION
BUY NOW PAY LATER Only on PLUS models
0% APR

Standard Features: Windows 95, Lotus SmartSuite 97, Quicken, Pressworks, DesignWorks, HomeWorks, Lotus Mail, IBM Antivirus and SmartPass preloaded. Sound Force 525 mains powered speaker system, 3.5" 1.44MB floppy drive; PS/2 mouse; 105 keyboard; software MPEG; Year 2000 compliant BIOS; PS/2 mouse port, test panel port, parallel port and games port. One year warranty commensurate to three or five years.

PLUS MODELS are only £49 +VAT = £57.58 inc. VAT extra and include joystick, headset microphone and 10 CD multimedia titles.

MJN - The Award Winning PC Manufacturer



MJN The right choice

All Offers End 12th December

01282 777 555

Telephone Sales Lines Open Mon - Fri 8.30am - 7.00pm, Sat 9.00am - 5.00pm
MJN Technology Ltd, Granville House, Backum Rd, Emsworth, Bury, Lancs, BB12 7GT, Fax 01282 77 06 44.

All prices exclude delivery £25 +VAT (£23.39). Software applications are supplied on CD or pre-installed with on-line documentation. Screen shots shown are for illustrative purposes only. Prices are correct at time of going to press. Specifications, prices and features are subject to change without notice. Products are subject to availability. Copies of which are available on request. The Intel Pentium and Pentium are registered trademarks and MMX is a trademark of Intel Corporation. The 6x86MX is a registered trademark of Intel Technology Limited. 100%

صكا من الامايل

Asda moves ahead as stories of a £9bn merger return

MARKET REPORT



DEREK PAIN

Is the £9bn supermarket merger back at the checkout? Shares of Asda jumped 5p to 164.5p as stories circulated it was attempting to get rival Sainsbury to return to the negotiating table and would launch a hostile takeover if its endeavours were resisted.

The two groups had summer talks aimed at creating a third superstore force but dropped the idea after soundings in Westminster indicated the Government would oppose such a deal.

But the stock market believes Asda has since put together a powerful case which it thinks could convince the Government that the get-together, perhaps with certain modifications, should be allowed.

Asda is thought to be keen to point out that a third force could be a more powerful influence in forcing down prices

than the two chains operating independently.

A deal would create in some respects the largest supermarket chain in the country, removing Tesco from top spot. Asda's interim figures are due this month and some believe they could be accompanied by a Sainsbury announcement.

It has made it clear it is seeking acquisitions and has shown it is prepared to move away from its traditional operations by attempting to buy a motorway services chain. Sainsbury is obviously its preferred option.

Turnover in the two groups was heavy. Sainsbury moved ahead 1.75p to 323.5p. Last month the shares suffered a sharp reverse when it was revealed profits might not be much different from last year's £420.6m.

Before the warning, Sainsbury

was riding at around 400p. The shares have since been down to 319p. Their weakness could persuade Asda the chain is ripe for attention.

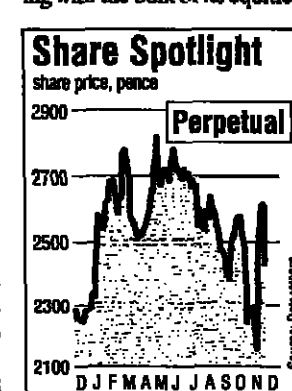
The Government's controversial savings changes, with supermarkets likely to be at the forefront in selling the new Individual Savings Accounts, also helped the sector, with J Sainsbury 4p firmer at 501p and Tesco up 13p to 495p. Banks are also in line for ISA sales success. Halifax rose 19p to 714.5p.

The arrival of ISAs will not be particularly rewarding for many diligent savers, who will face unexpected tax liabilities, and the more traditional saving groups. Unit trust groups Perpetual and M&G were hit, falling 17.75p to 2,420p and 42.5p to 1,352.5p respectively.

Footsie ended near its day's

best, up 55.8 points to 4,977.6. The possibility that the Monetary Policy Committee may be tempted to lift interest rates again caused some anxiety but the overnight performances of New York and Hong Kong offered reassurance.

National Westminster Bank duly announced its banking duty from investment banking with the bulk of its equities



business going to Bankers Trust and Deutsche Bank. The shares edged ahead 13p to 898p.

Hambros, the merchant bank, was 16p higher at 267p on hopes of a Société Générale strike.

BICC, the cables and construction group, jumped 10p (after 15.5p) to 162p after Henderson Crosthwaite held an investment dinner at London's Howard Hotel. The company put on a positive performance and the share reaction recharged some of the old takeover stories with talk of Continental strikes.

Henderson was also at the Savoy Hotel, hosting a dinner for computer group Alpha-

meric, up 2p to 53.5p. Engineer Siebe rose 38p to 1,163p on its interim figures and today's analyst visit to its US operations. An upbeat

trading statement lifted Williams 9.25p to 329.25p.

Nycomed Amersham strengthened 32.5p to 2,057.5p after the US Food & Drug Administration cleared its Telscan treatment for liver disease.

Merrydown, the drinks group, added 15p to 65.5p on the prospect of bid action and Eldridge Pope, the pubs chain, put on 24p to 294p on its new votes-for-all policy. Continuing bid hopes lifted Zetters 6.5p to 131.5p.

Ramco Energy added 17.5p to 795p. There is talk it is on the verge of clinching an intriguing deal in Azerbaijan where it already has extensive interests. Earlier this year it failed in a bid to take over JXK Oil & Gas when Ukrainian interests moved in and blocked what had appeared to be a successful bid.

TAKING STOCK

Bluebird, the toy group, fell 3.5p to 85p as Merrill Lynch said sell. The company's profit warning has prompted analyst Tim Steer to cut his profit estimates to 26m this year and to 45.5m next.

Only two years ago the shares were riding at 386p as the group's profits nudged £20m. Mr Steer says the shares look dead money until the Polity Pocket is relaunched in 1999.

OMI International's return to the dividend list - it is paying a 0.14p interim - helped the shares 2.5p higher to 19p. The company is unencumbered and seeking acquisitions. It plans a name change to Solvers.

Chieftain, an insulation group, jumped 17.5p to 75p after saying its profits would significantly top market hopes of £1.2m.

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

MARKET REPORT

DEREK PAIN

Richard Taylor



هَذَا مِنْ الْأَصْلِ

We are ready to face anybody insists Hoddle

England and Scotland's World Cup hopes will rest on the vagaries of tomorrow night's draw in the Stade Velodrome. Both were yesterday placed in the same 'pot' but could yet be paired together. Glenn Moore, in Marseilles, considers their possible fates.

If the Gods are smiling on England at the Stade Velodrome tomorrow night they will be paired with Brazil, Jamaica and Iran. If they are looking the other way, they could be thrown in with Brazil, Nigeria and Croatia.

The same applies to Scotland, who were placed in the same banding as England when Fifa finally revealed how the World Cup draw will be decided. However, due to the complexities of the system England and Scotland could be drawn together - and if they were it would be with either Brazil or Argentina as the group seeds.

As revealed in later editions of yesterday's *Independent* an inner cabal of Fifa's executive committee decided, in the Hotel Sofitel here late on Monday night, that England would not be among the seeds. Using a complex formula taking into account the last three World Cups and three years of Fifa rankings, they selected Germany, Italy, Spain, Argentina, Romania and the Netherlands to join the hosts, France, and the holders, Brazil, as the seeds.

This proposal was accepted by the full executive committee yesterday. The remaining 34 teams have been divided geographically so as to ensure each group will have, as far as possible, two European sides, one South American or Asian, and one African or North/Central American. The consequence of this will be a draw of considerable drama and length - there will be more than 50 individual acts of pulling balls out of pots. It will inevitably throw up a "group of death" and also offers the possibility of Croatia being paired with Yugoslavia, Iran



Guard of gendarmes: French police watch over the Marseilles stadium before tomorrow's draw for the 1998 World Cup

Jean-Paul Pelissier/Reuters

with the United States, and England with Italy.

England's failure to be seeded was not a surprise to the FA, but it was to the wider world. Glenn Hoddle was bullish about his team's prospects. "Not being seeded was not a surprise to me," he said. "The lesson is to make sure we never fail to qualify again. Whatever we get we'll handle. We had a tough qualifying group and we won it. We'll take what comes."

"I won't lose any sleep if we are pitched in with Brazil. If we

beat them or lose to them there are still two other matches and then we won't play them until we reach the final. It would be an advantage if we have Brazil in our group. What we don't want is Brazil, Nigeria, Croatia. We don't want a group of death. We had a bit of that in the qualifiers."

"I know the coaches of the seeded countries will turn up and say 'I hope we avoid England'."

"I'm getting a taste for it now. I'm very excited and I'm ready for it. When I'm out of a

job I'll look back on this time fondly. Personally I wish we were starting now - then I think of a fellow called Alan Shearer and I don't mind waiting."

Craig Brown, the Scotland coach, was less keen on facing Brazil, who beat Scotland in 1974, 1982 and 1990. "I would like to avoid them and Romania," he said, "but I would take Germany, Italy or any other seed. England would be all right, although there may be logistic problems with both sets of

fans moving at the same time. We're not frightened of them, nor is it a case of seeking revenge for Euro '96. All the teams know Scotland can give them a hard game. All their coaches know we're capable of giving out a result."

Both teams received good news yesterday when Fifa decided not to suspend players who had received a second yellow card in their final qualifying game: only dismissed players will be penalised. This releases Sol Campbell for

England and John Collins for Scotland.

The implications of failing to qualify also became more apparent to nations like the Republic of Ireland and Australia when it was revealed that each country will receive nearly £2m for qualifying. Each appearance after the quarter-finals will reap another £1m as well as the obvious spin-offs.

The French had wanted to allocate all the seeds in order to concentrate the Dutch and Germans in the north and Italians and

Spanish in the south, but Fifa refused. They are trying to ensure the draw appears fair and, despite doubts, it looks as if it may be. Even the old cold balls-warm balls trick is unlikely to work in the near-zero temperatures. Besides, as Sweden's Lennart Johansson, chairman of the executive committee, said: "If we pre-arranged too much there wouldn't be much of a draw left."

Fifa have decided in future to avoid the undignified lobbying for seeding which has characterised the build-up to this draw by determining the procedure for the 2002 World Cup before the qualifiers start. "The only thing which needs adjusting is how a team who got through the backdoor of the play-offs is seeded," said Hoddle. "But," he added, "to look at it from Italy's point of view, if we had not been seeded after being runners-up and semi-finalists at the last two World Cups we would have been peeved."

Shearer threat, page 30

Punishment still haunts England for riot in Rome

The Football Association's assertion that Italians caused the crowd trouble at England's World Cup qualifier in Rome looks like being vindicated by Fifa. Yet England may still be punished, says Glenn Moore in Marseilles.

Fifa's investigation into October's riot in Rome is being passed from committee to committee like a bottle being lobbed

over a fence but, when it finally comes to land in the public domain, it is likely to conclude that the Football Association got it right. But football's world governing body may fine the FA anyway.

The FA's own report into the violence on 11 October blamed Italian ticket arrangements and policing for the running battles between England fans and Italian police in the Stadio Olimpico. The World Cup Organising Committee, which yesterday referred its investigation back to the disciplinary committee, "acknowledged that there were

lessons to be learnt with regard to better control of tickets to fans through unauthorised channels". It added: "While Fifa did not have authority over the police forces the methods used by the police should be better adapted to the specific requirements of football."

With the police out of Fifa's reach, it is the Italian FA which will suffer for the poor organisation. Yet the FA's report ignored the effect of two days' intimidatory behaviour before the match by a substantial minority of the England supporters in Rome. It also appeared

to ignore the small minority who relished the terrace fight with the carabinieri.

Fifa is not being so blind. While it is likely to agree that the FA did all in its power with regard to ticket arrangements Fifa indicated yesterday that England will still be penalised in an effort to deter similar behaviour by travelling supporters.

Sanctions are expected to be financial although more draconian punishments are available. These include forcing either or both national sides to play their next World Cup qualifier behind closed doors or out

of the country. Or, in England's case, banning travelling support. A final decision is not expected until the new year.

The decision is inevitably linked to the continuing campaign to encourage the French to allow a fence-free World Cup. Of the 10 venues only Nantes and St Etienne have to be persuaded to take perimeter fences down. Vertical segregation fences will remain, however.

"Fences can become death traps, as we saw as recently as October 1996 in Guatemala," Sepp Blatter, the general secretary of Fifa, said. "In England

and Scotland they have taken fences away and shown that spectators who sit down without fences are not aggressive. If you put people behind bars they are aggressive; bars are for prisoners and animals, not for humans."

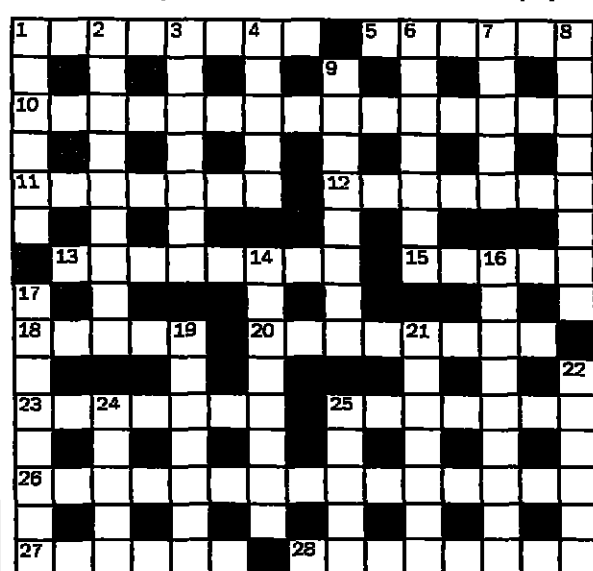
Blatter agreed that some supporters still needed to be "educated - you don't see people throwing bottles at the theatre" and he said security would take into account the nature of matches. This does not, noted one official, just mean England games: "There are other countries to worry about."

THE INDEPENDENT CROSSWORD

No. 3472, Wednesday 3 December

By Aquila

Tuesday's Solution



Across
1 Daring to confront a heavy type (4,4)
5 Impales fish taken on board (6)
10 Vile word we hear, sung pop? (10,5)
11 How Katy went too far, getting composer in the red? (7)
12 Heart of Midlothian greeting in play (7)
13 Food in cars (8)
15 Rows of big dogs masters left out (5)
18 Stone thrown in attack (5)
20 Senorita going out with solicitors sometimes (8)
23 Vet to open play in cricket, say (7)
25 Divers progress in unspecified manner (7)

Down
16 Mole can turn over edge accidentally (10,5)
17 One energetic person of many circulating in party (10,5)
18 Carouser knocks back half-barrel at bar (8)
19 Weaver using foot (6)
21 Like a robber, so unclear in disguise (9)
22 Slip, perhaps, if tossing tree (7)
24 Doctrine of mediocre education (5)
26 Support the new forecast (7)
27 Bell to announce king, accompanied by orange-seller (5)
28 Ashore, washed up, home counties' telecast? (8)

MOTOR RACING

Tobacco giant creates new F1 team with purchase of Tyrrell

British American Racing, the long-planned Formula One team put together by Craig Pollock, the manager of the new world champion Jacques Villeneuve, yesterday announced its intention to compete in the 1999 world championship.

The title conveniently incorporates the politically acceptable two-thirds of the name of the team's backers, British American Tobacco, who have 12.8 per cent of the global cigarette market. The company has bought out the struggling Tyrrell team, and the new organisation will include the expertise of Reynard, the hugely successful IndyCar constructor, to build their cars.

Ken Tyrrell made his reputation in racing in tandem with a Scottish driver called Jackie Stewart in the late Sixties and early Seventies. Now Stewart, too, is a team boss, but is under pressure from the authorities following his warnings over the sport's continued association with tobacco companies.

In what appears as a tit-for-tat move, motor sport's gov-

erning body, the FIA, have demanded assurances from the Stewart team that they have the financial resources to fulfil a full second season in F1. Stewart recently lost one of their sponsors and the opportunity to embarrass them was apparently irresistible.

Stewart said: "It would seem the FIA do not know their own regulations because it is stated quite clearly that only teams finishing outside the points the previous year, in this case 1997, could be asked for their financial declarations for entry the following year. We finished with points and in the top 10."

"Can anyone imagine I would have gone ahead with this unless I was sure we could complete the programme? I have no doubt this was meant as a rap across the knuckles."

For the foreseeable future, F1 will be able to draw on tobacco resources and BAT have involved themselves in a major project. The travel benefits accrued by Tyrrell will pass on to the new team. Reynard will design the

cars at a new factory in Brackley, Northamptonshire, and Villeneuve is expected to leave Williams at the end of next season to lead them on the track.

Pollock said: "There are many things different about British American Racing. We will be different for several reasons, among them our openness and the strong desire to be close to our audience. Our team will not be the private preserve or the top of a rich owner - our fans will have a claim."

Tyrrell, who won the championship with Stewart in 1969, 71 and 73, has decided to bow out gracefully rather than attempt to chase a lost cause. "This has probably been the most difficult decision I've ever had to take. The cost to compete in F1 has escalated dramatically and we are not satisfied with being relegated to the back of the grid. We have come to the conclusion it will be preferable to pass the Tyrrell legacy on to a new team which shares our ideals and philosophy."

Derick Allsop

Published by Newspaper Publishing PLC, 1 Canada Square, Canary Wharf, London E14 5DL, and printed at Mirror Colour Print, St Albans Road, Watford. Back issues available from Historic Newspapers, 11980, 541731. Wednesday 3 December 1997. Registered as a newspaper with the Post Office.

HOW THE DRAW WILL WORK

The draw will split the 32 teams into eight groups (A-H) of four. Group winners and runners-up will go on to the second round.

The draw is designed to ensure there are not two South American teams or three European teams in the same group. For the purposes of the draw, the teams have been split into four pots:

Seeds: Brazil, France, Germany, Italy, Spain, Argentina, Romania, Netherlands.

Pot A (Africa and Oceania): Cameroon, Jamaica, Mexico, Morocco, Nigeria, Tunisia, South Africa, United States.

Pot B (Europe): Austria, Belgium, Bulgaria, Croatia, Denmark, England, Scotland, Norway, Yugoslavia.

Pot C (S America and Asia): Chile, Colombia, Iran, Japan, Paraguay, Saudi Arabia, South Korea.

Brazil will be named as team A1 (the seeds in Group A) and France C1.

The other six seeded teams will be drawn in order B1, D1, E1, F1, G1, H1. A draw will determine which pot is drawn next. Whenever Pot A is drawn, the eight teams will be placed in order A-H as they emerge.

If Pot B is drawn before Pot C the first eight drawn will be placed A-H as they emerge. The remaining European team will be placed with either Argentina or Brazil (another draw determines which of the two).

When Pot C is drawn it will be ensured that the three South American teams are not drawn with the remaining South American seed (Argentina or Brazil).

If Pot C is drawn before Pot B, one European team will be drawn first and placed with either Argentina or Brazil (another draw).

Pot C will then be drawn, making sure the three South American teams are not drawn with the remaining South American seed (Argentina or Brazil).

This scenario the remaining eight teams in Pot F will then be placed with either Argentina or Brazil (another draw).

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.

Each time a pot is drawn, apart from the seeds, there will be a named team to determine the allocation of the B2, B3 or B4 match tickets.